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LABOR SCARCITY AND LABOR MARKET POLICY UNDER AN ARMAMENT PROGRAM IN GERMANY AND GREAT BRITAIN

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Federal Security Agency

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PREFACE

Striking similarities in the pattern of labor shortages that developed in Germany and Great Britain as a result of military mobilization and armament production suggest some of the problems which are arising in this country as a result of parallel military and armament expansion. An evaluation of labor market policies and administration in these countries, their strength and weaknesses, is valuable in the formulation of a sound policy for the United States. For many reasons, neither the German nor the British experience is wholly relevant to this country. New and different practices suited to economic conditions and institutional procedures peculiar to the United States will need to be evolved.

This report describes problems that arose in connection with recruiting labor for armament industries and traces the evolution of the accompanying administrative structure. The field of industrial relations--primarily concerned with industrial conflicts--has been touched on only as it relates to labor supply problems.

German and British labor market experience points to the need for extensive training programs and furnishes valuable information on the role of public and in-service training. European experience also throws light upon the role and scope of measures for labor market control and the effectiveness of various measures of implementing them. Administrative aspects of European labor supply programs also illuminate the development of an effective organizational pattern in the United States, especially with respect to the problem of overlapping functions of government departments.

The data on which this study is based have been assembled from original sources over a period of more than a year. The study was prepared by Miss Constance A. Kiehel, Economist of the Bureau of Employment Security, under the direction of Louis Levine, Acting Chief of the Reports and Analysis Division of the Bureau. Valuable assistance was rendered by Arnold Steinbach and Kenneth Sloan in compiling material on the German and British experience respectively, and by Leonard Eisenhauer, on the compilation of statistics. The conclusions reached in this report are based upon the analysis of the source material. They do not represent the official views of the Social Security Board.

John J. Corson

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Bureau of Employment Security

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SUMMARY

The recent mechanization of modern warfare is responsible for basic similarities in the pattern of labor market conditions that unfolds under a modern armament program. The numerical strength of armies is now limited by the availability of industrial workers able to keep them equipped not only with munitions, but with the latest models of airplanes, tanks, and motorized transports. Pressure to secure labor for armament needs has been greatly augmented. During former wars labor shortages, primarily of unskilled labor, eventually developed as a result of the demand for munitions. Today, the need for mass production of mechanized combat units, combined with the military labor requirements for mechanical maintenance, has changed the nature of war labor demands.

Characteristic of modern armament programs is the early appearance of shortages of skilled workers. At first such shortages are localized and limited to highly skilled occupations, but inevitably they become geographically and industrially more widespread as the reemployment of skilled and semiskilled unemployed workers progresses. At length the point is reached when the available supply of unemployed workers previously employed in the metal trades is exhausted. It then becomes necessary to utilize the services either of remaining reserves of unemployed or of skilled workers employed in related occupations in other industries. Finally, as a result of increased production demands and military drains, the reemployment process may reach the point when available unemployed reserves are virtually exhausted and it becomes necessary to seek additional labor reserves by curtailing employment in nonessential industries and recruiting workers not previously attached to the labor market. Employer competition for workers, coincident with, and even antedating, the development of actual labor shortages, increases as the scarcity of labor becomes more acute. More and more widespread employer pirating, spiralling wage rates, and increasing labor turnover, in addition to military drains, tend to disorganize and disrupt armament production.

Under these conditions countries that attempt to equip and raise a large army are forced to substitute Government policy for free competition as a method of regulating the labor market. Such policy includes safeguarding reserves of skilled labor from military service, extending the collection of labor market information, establishing facilities for extensive training of unemployed and employed workers, reallocating workers and controlling accessions and separations in essential occupations, bringing new workers into the labor market, and developing new industrial techniques to secure maximum effective use of scarce skills. It also includes control of price and wage levels to stabilize the cost of living and prevent and eliminate marked wage disparity in the same occupations. It includes, finally, safeguards to provide workers with basic financial security, and satisfactory working conditions.

The degree of labor scarcity primarily controls the application of governmental labor supply policy. Nevertheless, institutional factors are responsible for essential differences in the basic approach to the formulation and enforcement of labor supply policy. The Germans began with a blueprint of a controlled economy in which labor, equally with raw materials, was looked upon as a resource needed for armament expansion. The British, on the other hand, began with a relatively free economy in which the labor market was influenced by long established and widespread worker organizations which were represented politically by actual participation in government. In Great Britain, for instance, adherence to the democratic principle of discussing labor supply legislation with labor representatives to secure agreement on basic policy prior to enactment characterized the introduction of labor market controls. Such practices were absent in Germany because trade unions in the traditional sense had ceased to exist. Political aims and economic precedents thus affected the method of introduction, the scope, and timing of labor market measures. Differences in general economic conditions also accounted for minor variations in the nature of the labor shortage and, therefore, in the character of the required measures.

Institutional dissimilarities are reflected in the administrative pattern of the armament program in each country. Germany, arming for an offensive war, in time of peace extended centralized government control over all branches of the national economy. Labor and employer organizations were transformed into government controlled agencies. The direction of armament production was entrusted to a military administration charged with the task of formulating and coordinating a unified military supply program. The policy of allocating resources was adopted to protect the program against scarcity of raw materials and labor. In the labor market the new system was foreshadowed by substituting for the traditional term labor exchange (Arbeitsvermittlung), implying negotiated labor procurement, the term labor allocation (Arbeitseinsatz), a military term derived from the verb einsetzen, to set in or to place. Parallel adoption of a price and wage control policy was designed to prevent competitive frictions from disturbing the continuity of the controlled system of distribution.

As armament production absorbed a larger share of total resources the controls originally contemplated by government were extended over the national economy. Prices were fixed in all national markets including the labor market, and raw materials and labor were distributed to nonessential as well as essential industries on the basis of the relative importance of the product in the armament program.

Despite eventual decentralization of administration to permit maximum utilization of local industrial resources after war was declared, the production of armaments continued to be directed and controlled by the national military procurement administration. Duplication of function between new and old time government administrations in related branches of the national economy was eventually eliminated.

In marked contrast, Great Britain introduced an armament program strictly for defense purposes in a free labor market where competition was the usual order of the day. In this market wages continued to be determined by collective bargaining between employers and unions, prices continued to be established and labor distributed by uncontrolled economic forces. Relying upon the voluntary cooperation of all interested parties, the program was undertaken by the traditional committee techniques of democratic parliamentary processes. Under these circumstances scheduled results were not achieved because a national military supply policy established by government was necessary to coordinate planning and execution, and to secure the cooperation from employers and trade unions necessary for rapid increase of armament production and prevention of labor shortages.

Government policy was not inaugurated in Great Britain until 2 months before the outbreak of actual warfare, when a Ministry of Supply was established with authority to regulate the production and prices of army munitions. Shortly afterwards a 100 percent tax was imposed on excess profits and various government departments began to assign priorities to scarce raw materials needed for defense contracts.

In the face of a national emergency the trade unions consented to relax their rules to permit job dilution and began to participate in the formulation of labor supply policy. Labor supported further extension of national control over industries essential to increased armament production efforts after the military reverse at Dunkirk increased the need for war supplies at a time when labor shortages were becoming progressively more acute. A national armament production administration was established under the chairmanship of the Minister of Labour and National Service. This organization comprised the Ministers in charge of procuring war supplies for the three branches of military service, the Army, Navy, and Air Force, together with those of other government departments vitally concerned in the program. Members of this organization, or their representatives, determined production and raw material priorities through traditional committee action. Regional representatives were responsible for the maximum utilization of regional plant resources for armament purposes. There were no labor priorities as such. Labor procurement was administered regionally by local labor supply committees established for each essential industry. Decisions regarding conflicting labor requirements were reached on the basis of regional production priorities.

When exhaustion of unemployed reserves threatened, labor and raw materials began to be allocated in essential industries and demands were made for centralized planning and control of armament production. The cost of living was stabilized and consideration was given to further control of all prices, including the cost of labor, to prevent inflation and adjust wage differences to fit the requirement of a war economy.

Variation in general economic conditions in the two countries explain differences in the nature of the labor shortage problem. Seasonal unemployment is more marked in Germany than in Great Britain largely as a result of the greater importance of agriculture. The acute agricultural labor shortage in Germany that antedated the Hitler regime had no counterpart in Great Britain. The timing factor also accounts for differences in the state of the labor supply. Hitler started his program, directed to an all-out war effort, in March 1933, during a major trade depression when unemployed reserves were markedly large. The British undertook a relatively small armament program in the spring of 1936 during a period of recovery. In March 1933, reserves of unemployed totaled over 6,000,000 in Germany compared to a total employment of 13,000,000, whereas in March 1936 there were only 1,900,000 unemployed in Great Britain compared to an estimated total employment of 11,500,000.

The change in the definition of employment, shortly after the advent of the Nazi regime, according to which a maximum of a million workers employed virtually without compensation or on a relief basis were counted as employed, precludes strict comparison between British and German unemployment data prior to 1935. Nevertheless, when due allowance is made for the excluded group, German unemployment data still indicate a rapid rate of reabsorption as a result of the armament program. Except for seasonal increases during winter months the number of unemployed in Germany steadily decreased to less than 74,000 in July 1939, and by October 1940, the last month for which any data are available, had shrunk to 32,000. Reserves of unemployed metal workers in Germany were virtually exhausted early in 1937, less than 3 years after the official reporting of local shortages in the metal trades.

The decrease in British unemployment was slower and less continuous. Between March 1936 and October 1941, the number of unemployed declined from nearly 1,900,000 to 216,000. During the trade depression of 1938, however, unemployment increased markedly. The downward trend was again interrupted in October 1939, after war was declared, as a result of the contraction of nonessential industries, including building, and dislocations in trade caused by evacuation of business, diversion of shipping, and rationing of gasoline. Unemployment also increased in 1940 following more extensive curtailment of production in nonessential industries employing large numbers of women. Furthermore, British production needs did not deplete the nation's supply of reserves of metal workers until the middle of 1940, approximately 4 years after the first appearance of local shortages of skilled metal workers.

Maximum utilization of the available manpower to increase armament production under conditions of rapidly developing labor scarcity required the same basic regulation of the labor market in both countries in regard to hiring, training, worker transfer and separation, and bringing new workers into the labor market. In each country a national employment service was entrusted with this task, and its functions changed from that of

assisting workers to find jobs and aiding employers to secure qualified workers to that of exclusive control of hiring in fields of employment where the labor shortage problem was acute. To its original functions were added such new duties as the transfer of workers from nonessential to essential employment and the control of separations from employment. The employment service was also given the authority to collect whatever information was deemed necessary from employers and workers, to direct vocational guidance and worker training, to control wages and working conditions, and to enforce the introduction of improved industrial techniques.

In both countries exclusive employment service control of hiring was first limited to skilled occupations in the building and metal trades industries. As labor scarcity became more widespread, this control was gradually extended in Germany to virtually all fields of employment and in Great Britain to all forms of "essential" work.

In both countries compulsory transfer of workers from nonessential to essential work and control over separations from employment were products of developing labor scarcity. Appeals for voluntary transfer were succeeded by employment service negotiations for the release of skilled workers needed in shortage occupations. Later, indirect compulsion was applied by restricting unemployment insurance benefit rights and curtailing the production of nonessential industries to force workers to seek employment in armament industries. Extensive recourse to compulsory transfer in both countries coincided with the virtual exhaustion of unemployed reserves of essential industries. At this point transferred workers were furnished special financial assistance in addition to transportation expenses and administrative machinery was set up to equalize working conditions in the same occupation. The worker was assured not only free transportation and moving expenses to the new job, but also compensation for loss of social insurance rights and special assistance in maintaining his household. Public officials, working under the direction of the employment office, investigated plants in the interest of removing discrepancies in wage rates and working conditions. Not until exhaustion of unemployed reserves threatened was the employment service authorized to control the right of the worker to leave essential work in the interest of promoting continuity of employment and preventing labor turnover.

Other aspects of labor market policy are similar in both Germany and Great Britain. Both countries made provision for safeguarding labor reserves of essential armament industries from compulsory military service. Both countries, initially or eventually, made extensive efforts to train workers and required employers in essential industries to assume major responsibility for the task. To extend the use of unemployed workers on essential work there was increasing placement of workers from nonessential industries with skills closely related to the skills needed in armament industries, utilization of the long-term unemployed on military construction projects, and the reconditioning of unemployables for permanent

employment. Although unemployment among certain classes of workers, notably older workers and married women, inevitably accompanied curtailment of nonessential production, it was recognized that the extent of local utilization of displaced workers in new or converted plants measured the degree to which the change-over from nonessential to essential work was accomplished with the minimum of labor displacement.

Introduction of comprehensive labor market measures necessitated development of fact-finding and enforcement machinery in both countries on a national, regional, and local basis. When shortages of workers for essential industries became acute, the employment service administration merged with the armament production administration and the department of labor on a national and regional basis for joint consideration and solution of production and labor supply problems. Under the direction of the employment service, special commissions in Germany and labor supply inspectors in Great Britain investigated employer use of skilled workers to determine the degree to which the introduction of improved industrial techniques and additional training facilities would permit the employment of lesser skilled groups, especially women. These officials also enforced labor control compliance and, in cooperation with factory inspectors, inspected working conditions and wage rates.

In connection with general labor market trends and policies common to both countries, it is noteworthy that widespread labor scarcity promoted the development of large-scale production, mechanization of process, and utilization of women, especially in the metal trades. Labor scarcity also contributed to the decline of the small independent concern and promoted stabilization of employment. As a result of armament efforts there was a marked decrease in the number of independent craftsmen, small retailers, and itinerant salesmen in Germany, and the small consumer-goods manufacturers and shopkeepers in Great Britain. Organized short-time work was prohibited, and casual, irregular, and seasonal employment were regularized to a degree not previously considered possible. An increase in child labor and the extension of working hours were also the results of labor shortage.

Under pressure of acute labor scarcity Germany did not hesitate to introduce compulsory labor control and made no provision for appeal machinery other than the right to lodge a complaint with the national production administration. No attempt was made to enlist the cooperation of the workers. Results achieved by these methods were not entirely satisfactory. The employment service was unable to make workers accept employment in occupations where established wage rates or working conditions, or both, were markedly less favorable than other available employment opportunities. For this reason control of hiring was discontinued in agriculture and mining, and not attempted in domestic service in families with children under 14 years. Widespread enforcement of conscription also proved difficult. Large numbers of building workers, separated from their families, insisted upon quitting work of national importance to which they had been transferred for an indefinite period,

to seek work in the community where their homes were located. Inability to cope with the magnitude of the enforcement problem in this connection caused the compulsory service status to be reserved for cases of acute labor shortage in highly specialized occupations.

On the other hand, Great Britain consistently pursued the policy of safeguarding established worker rights and continued to enlist the cooperation of workers prior to the introduction of compulsory controls. A labor representative in the cabinet undertook the responsibility for formulating labor market policy. Joint employer and trade union national and regional advisory boards aided in this task. Before introducing compulsory control of hiring and separation in essential industries, Great Britain utilized established collective bargaining machinery to negotiate minimum wage rates and other conditions of work. No attempt was made to conscript the services of the civilian population for essential work until compulsory registration for employment, with primary emphasis upon the right of the individual to choose his job instead of placement on the basis of employer requirements, had yielded negligible results. Employment service procedures in the fall of 1941 still left the individual some choice in the selection of essential work to be followed. In addition, provision was made for hearing worker complaints by local joint appeal boards. This method of approach may have somewhat slowed down the rate of increase in armament production, but it has had the important advantages of reducing labor control compliance problems to a minimum and contributing to the maintenance of worker morale, factors which cannot be overlooked in connection with achievements after Dunkirk.

Following the policy of adapting the total economy to permit the maximum utilization of available man power for armament purposes, Germany, as labor reserves dwindled, progressively extended labor control over all fields of economic activity. Great Britain, proceeding on the theory that government regulation of industry was an emergency measure, limited the area of labor control to industries essential to the armament program. Other than enforcing production curtailment the British did not attempt to regulate employment in nonessential consumer goods fields.

German labor allocation procedure was based on an occupational approach to the problem. As shortages developed, employment service control over hiring was extended over similar and related groups of occupations regardless of industry lines. This approach promoted effective utilization of the labor supply in two ways: it permitted maximum use for armament purposes of unemployed and employed workers from nonessential fields of employment with a minimum of labor loss and, it promoted widespread inter-industry dovetailing of seasonally unemployed workers. The British policy of control on an industry basis promoted intra-industry stabilization of employment but did not permit transfer from nonessential to essential industries on the basis of similar or related occupations cutting across industry lines. It also permitted labor from curtailed nonessential industries to be absorbed in nonessential instead of essential fields.

From the outset, Germany made extensive efforts to train unemployed workers for future armament needs, and later, as reserves were exhausted, to retrain and upgrade employed groups. Employed workers were not transferred from nonessential to essential industries until the reserves of unemployed were virtually exhausted. During the period when skilled worker shortages were slowly becoming more marked, Great Britain did not extend training facilities. Four years later, stirred to decisive action by the debacle of Dunkirk and faced with a shortage of qualified skilled workers, the government made arrangements to transfer to essential work workers employed in similar or closely allied occupations in nonessential fields before the reserves of unemployed were fully absorbed or a comprehensive training program had been adopted.

In Germany greater emphasis upon centralized planning was responsible for other differences in the scope and timing of German and British labor market policy. Price control was introduced at an earlier date in Germany and applied to labor as well as goods. The Germans likewise, made more extensive efforts to standardize products and introduce improved industrial techniques.

PART I

G E R M A N Y

ECONOMIC BACKGROUND AND POLICY: SUMMARY

In Germany, labor shortages, except in agriculture, were limited in 1935 and 1936 to skilled and semiskilled occupations needed for the armament construction and production program started in 1933. During 1937 reserves of unemployed workers, formerly employed in other industries essential to the development of the program, were depleted. By the middle of 1938 total reserves of unemployed were approaching exhaustion.

Essentially, labor control measures were designed to resolve labor market problems resulting from progressively developing labor scarcity. During the first period the employment service was designated as the sole legal placement agency to control hiring and direct skilled worker training in closely related groups of occupations in which shortages were occurring. In this capacity the employment service was authorized to regulate voluntary quitting in shortage occupations and to reallocate employed workers by persuasion and indirect compulsion. In 1937 employment service control of hiring in groups of related occupations was extended as reserves of unemployed in essential industries were exhausted, and compulsion began to be more openly used to effect transfer from nonessential to essential employment. After 1938 employment service control of hiring and voluntary quitting was broadly extended over all fields of employment. Compulsory transfer became the general rule instead of the exception, and the entire training program was placed under the control of the employment service and closely coordinated with industry labor requirements.

Earlier introduction of employment service control of hiring in agriculture was the result of labor shortages in this field in the spring of 1933. Use of compulsion to effect the return of workers to agriculture in the middle of 1934 coincided with the virtual depletion of unemployed reserves in the industry.

Industrial Conditions

The armament program in Germany is considered as dating from Hitler's accession to power in the spring of 1933. At that time reserves of unemployed workers numbered almost 6,400,000.1/ Agricultural labor shortages appeared as early as the spring of 1933 coinciding with the Nazi attempt, as the first step in armament, to increase agricultural production to the point of economic self-sufficiency. Local shortages of skilled building workers and skilled metal workers in smelting and rolling mills were not officially reported until two years later, in the spring of 1935.

Actually, the agricultural labor shortage problem antedated the Hitler regime, and, from the point of view of availability of agricultural labor, was essentially artificial. Reserves of German agricultural

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1/ This figure includes 5,600,000 reported unemployed and the estimated 799,000 reserves of "invisible unemployment."

workers had long since been depleted by a continuous rural-to-urban population movement that dated back to 1870, but prior to 1914 seasonal farm labor requirements were met by the periodic migration of half a million foreign agricultural workers, mainly from Poland. These traditional migratory patterns were interrupted during the last war. The succeeding republican regime discouraged their resumption in an unsuccessful attempt to utilize unemployed industrial workers in agriculture, and the Nazi government continued this policy as a war-preparedness measure. Agricultural labor shortage disappeared in 1930, during the general depression, but reappeared in the spring of 1933 when recovery was stimulated by government aid and direction. During the succeeding years, as reserves of unemployed agricultural workers diminished from 47,000 in September 1934 to 3,000 in May 1938, shortages in this industry became progressively more acute. (See Chart 1.)

Antedating official reporting of shortages, competition among employers for skilled metal workers became marked during the summer and fall of 1934. Government supervision of wage rates did not prevent workers from continuing their search for jobs offering the most favorable working conditions. As a consequence, labor turnover increased markedly. In 1936, when shortages had appeared in all branches of the skilled and semiskilled metal 2/ and construction trades, employers in many industries, starting in aircraft, attempted to stabilize employment by agreeing not to hire workers who did not have "leaving" certificates signed by a previous employer.

By the end of 1936, industry reserves in the construction and metal trades were reduced to less than 100,000. By midsummer of the next year, employers in these industries were forced to accept partially qualified skilled workers in these occupations. In the spring of 1937, private construction projects were postponed for lack of labor, and in many branches of the metal trades, notably foundries and shipyards, unskilled labor demands were either only partially filled, or filled by persons not fully employable, including handicapped workers. By the middle of 1937, the supply of workers in other essential industries, notably building trades, mining, and chemical works, was greatly depleted.

Unemployed reserves were approaching exhaustion by the summer of 1938. 3/ (See Chart 2.) The total number of unemployed in June 1938 was reduced to 292,000, and by October 1940 had fallen to 32,000, not more than one-tenth of whom were both employable and available for transfer to essential work. In January 1939 the national shortage of workers was

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2/ Includes metal reduction, metal products, machinery, electrical equipment and instrument and optical goods industries.

3/ To some extent the decline in unemployment between 1933 and 1935 was heightened by the redefinition of the term unemployed worker to exclude a maximum of about 1,000,000 relief workers, volunteer agricultural aid assistants, and unpaid members of the Labor Service and by the exclusion of Jews from the labor market. (see p.31)

Chart 1-a

UNEMPLOYMENT IN SELECTED INDUSTRIES IN GERMANY

JANUARY 1932 TO JULY 1939

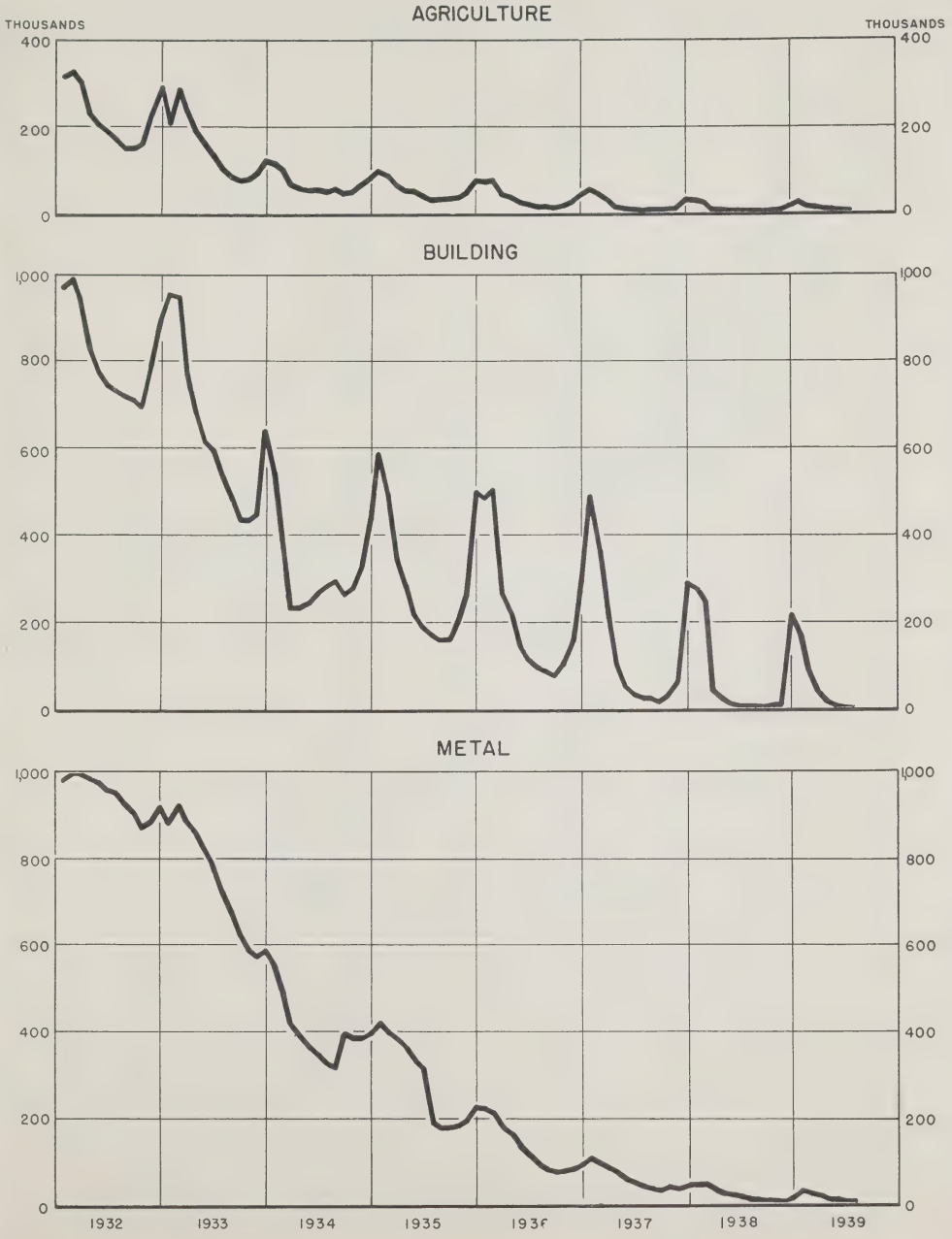


Chart 1-b

UNEMPLOYMENT IN SELECTED INDUSTRIES IN GERMANY

JANUARY 1932-JULY 1939

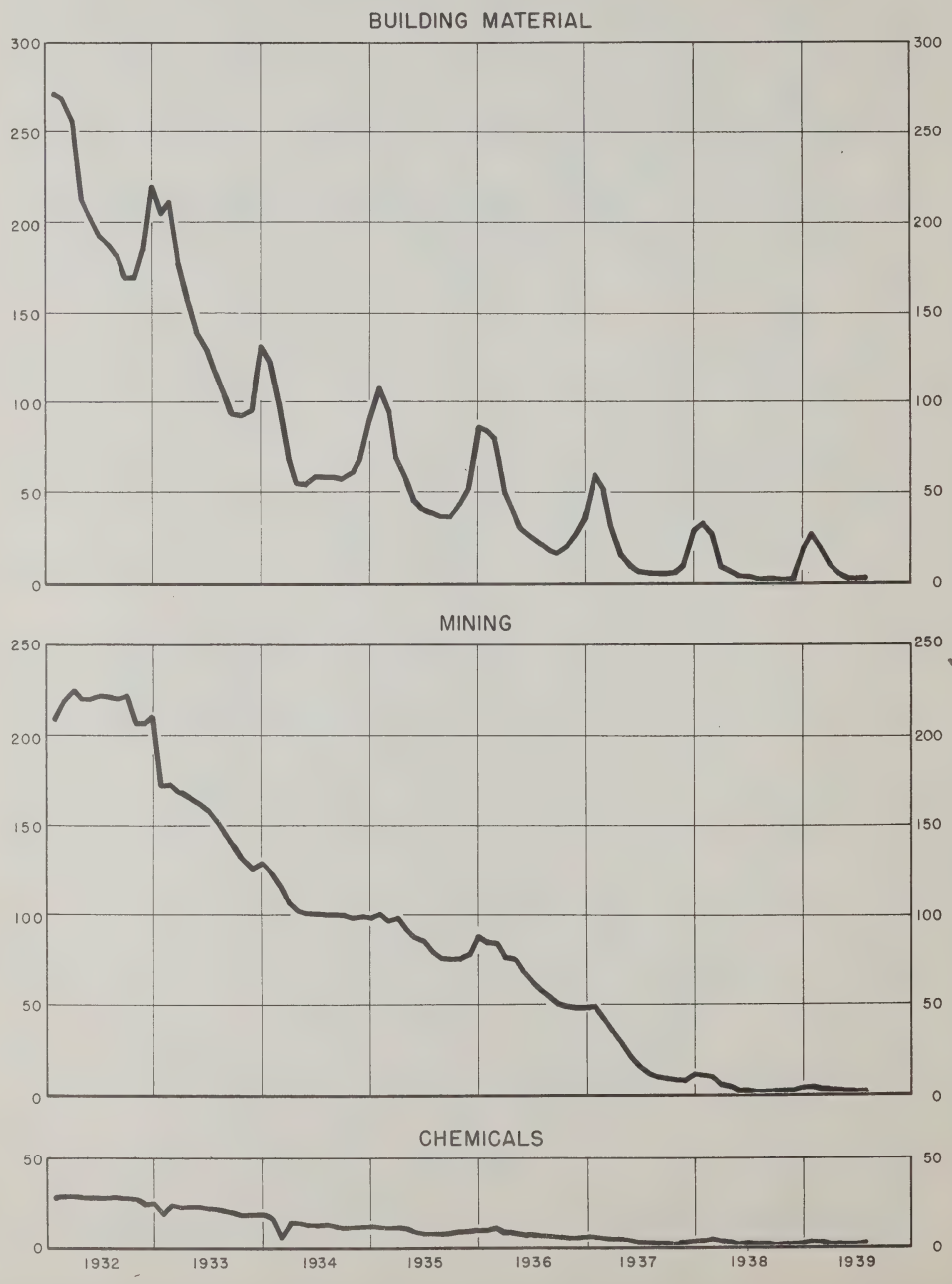
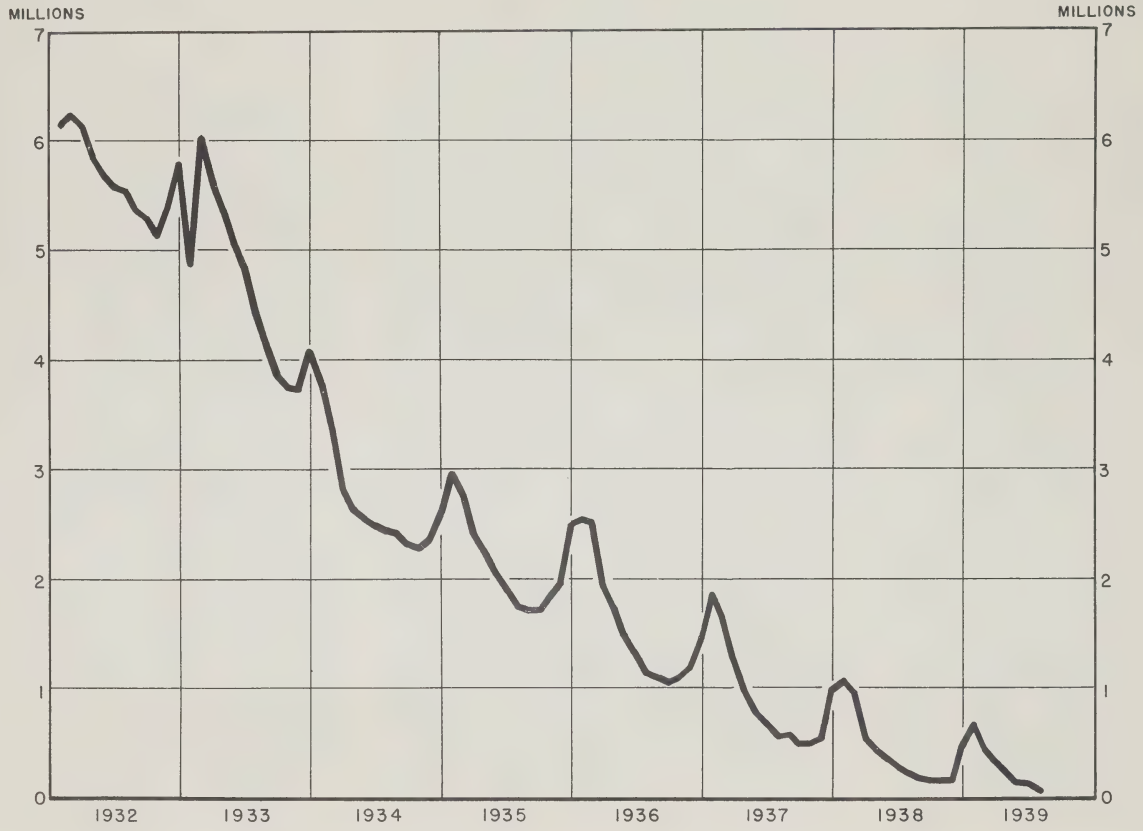


Chart 2

UNEMPLOYMENT IN GERMANY

JANUARY 1932 TO JULY 1939



estimated at 1,000,000. During the next spring and summer, when the army was being fully mobilized for war, it was again necessary to postpone private building to permit completion of important public projects, and to extend delivery dates of products manufactured by the metal industry engaged in armament work. During 1940 these conditions were somewhat relieved by the importation of foreign workers and prisoners of war, but in the fall of 1941 the shortage grew steadily more acute as a result, no doubt, of the military labor demands of the Russian campaign.

Labor Regulation

Labor control measures in Germany were first introduced in agriculture in order to increase food production to the point of self-sufficiency. Early in the spring of 1934 a solution to the problem of agricultural labor shortage was sought by forbidding workers from rural communities to seek employment in a large metropolitan area; by giving the employment office control of hiring agricultural workers; and by requiring employers in such seasonal industries as coal mining, construction, and allied trades, canning, hotels and restaurants, metal reduction, and semimanufactured metal products, to discharge former agricultural workers.4/ To some extent the urgency of harvest labor requirements was responsible for further legislation in August requiring the discharge of employed workers under 25, for placement by the employment service in temporary agricultural work, and their replacement from the over-40 unemployed group. This law also authorized the employment service to assume exclusive control of placing workers under 25. In addition to securing the needed reserves of agricultural labor, however, this provision and a later decree in 1936, applying exclusively to salaried workers, were also designed to reallocate age groups within industry to make the under-25 group readily available for military training and to permit mobilization with a minimum of industrial disturbance.

Growing employer competition for skilled workers in the developing armament industries forced attention to the need for extending labor market control to other fields of employment. In August 1934 the national employment service was designated as the only legal placement agency for all workers, except members of the musical and theatrical professions, with exclusive authority to collect information and allocate and reallocate labor. Specific application of this law in industry took effect in December of that year when, in the interest of decreasing labor turnover among key skilled groups, skilled metal workers were required to have a permit from the employment office in the local community to accept work elsewhere.

In the fall of 1936, when shortages of skilled building and metal trades workers had become widespread, the employment service was given

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4/ The new military term labor allocation (Arbeitseinsatz) was used to describe this decree instead of the traditional term labor exchange (Arbeitsvermittlung).

control of the hiring of workers in these occupations and blind advertising was forbidden. The employment service was also authorized to allocate labor in the metal industry on the basis of preference, in succession, to armaments, food supply, domestic raw materials, exports, and housing; 5/ to negotiate for the return of skilled metal and construction workers employed outside their usual occupations; and to determine the quota of apprentices in the metal and construction industries for employers with 10 or more employees. Legal requirements regarding notice 6/ were also utilized to control voluntary quitting. In cases of quitting without notice, employers in essential industries were permitted to withhold the Work Book required for placement until the requisite notice period had expired.

As reserves of unemployed workers from occupations in essential industries dwindled, employment service control over the labor market was widened to secure additional labor reserves. During 1935 the employment service was authorized to control the hiring of seasonal and foreign migratory agricultural workers and to return to agriculture former agricultural workers employed in industrial fields. In 1937 employment service control of hiring was progressively extended to workers in occupations in the metal, construction, and building materials industries, and in three districts in the chemical industry. The employment service was directed to revoke licenses of peddlers and itinerant salesmen who refused to accept suitable work of greater national importance and part-time unemployment benefits were refused textile workers under 30 without dependents. After February 1938 girls under 25 were not permitted to be employed in textile and tobacco industries unless previously employed for a year in agriculture or domestic service. Finally, in March 1938 the employment service was broadly authorized to assume exclusive control over apprentices and unpaid learners under 25 years of age, and to order any employer to hire or discharge workers.

Dwindling of total unemployed reserves below 500,000 and full mobilization of the armed forces, coupled with the need to build the West Wall forticiations with the greatest possible speed and at the same time continue the expansion of armaments, forced increasing reliance upon planned reallocation and control of employed workers. During 1938 and 1939 control of hiring was applied progressively to wage earners, salaried workers, works managers, and paid and unpaid learners, then extended to occupations in all industries, except agriculture, mining, and domestic service in homes with children under 14, three fields of employment which workers were reluctant to enter. In the interest of increasing the continuity of employment on essential work, the employment

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5/ Preferential allocation began after the engagement of more than 10 employees per quarter.

6/ Usually 2 weeks for wage earners and 1 month for salaried workers.

service was likewise given direct control over voluntary quitting in all fields of employment for all wage earners from works managers to unpaid learners, with the exception of workers engaged in casual employment or with insignificant earnings not covered by sickness insurance.

There was widespread recourse to compulsory change of employment when exhaustion of the unemployed threatened. In June 1938 any German national could be transferred by the employment service for a limited period to do work of national importance on a compulsory service (Dienstpflicht) basis and, if necessary, be required to undergo a period of vocational training. In October of that year emergency compulsory service (Notdienstpflicht) could be required from German residents over 15 and under 70.7/ Between December 1938 and March 1939 unlimited compulsory service was exacted from aliens 8/ as well as nationals; independent craftsmen and small retailers were retrained and transferred to essential work; and women under 25 were required to be employed for a year in agriculture or domestic service before entering any other occupational field. After the Polish campaign military and compulsory service became interchangeable forms of activity to permit temporary utilization in industry of soldiers not engaged in active warfare. To compensate for economic hardships resulting from compulsory transfer, special financial aid took the form of separation allowances, special assistance to meet exceptional financial obligations, compensation for permanent loss of social insurance rights, and free transportation.

Training efforts were redoubled after 1938 to increase the effective utilization of inexperienced workers. Moreover, there was increasing coordination of vocational and public education. Semiskilled as well as skilled training programs and movement of apprentices began to be closely regulated by the employment service. Employers became directly responsible for provision of general and specialized training for all grades of workers.

7/ Except certain official groups, principally public and National Socialist Party officials, lawyers, and employees in public service for whom special consent was necessary.

8/ Unless excluded by treaty or international law.

THE ADMINISTRATIVE PATTERN

In Germany, after 1933, government direction and control of armament production continued to be centralized and integrated on a national and regional level as areas of labor shortage widened. The many government agencies originally entrusted with the task of determining industrial and labor market policy, and securing the resources needed for the execution of the armament program were gradually merged or integrated with one or the other of two coordinating government departments, the Ministry of Economy and the Ministry of Labor.

In production fields, competition between government agencies was resolved by transferring to the Ministry of Economy the administration of the second Four Year Plan established in 1936 to eliminate bottlenecks and speed up armament production. Execution of national industrial policy in major essential industries was reenforced by appointment of national commissioners under the Ministry of Economy. In labor supply fields the Minister of Labor took over the administration of the employment service and undertook the control of the compulsory labor organization, the Labor Front.

Coordination of production and labor supply problems at the national level was achieved by the participation of the Minister of Economy and the Minister of Labor, or their representatives, in determining war economic policy on the National Economic Council, training policy on the national training committee, and labor supply policy on the national commissions which investigated the labor requirements of large concerns with special industrial problems. Regional commissions representing the regional economic offices and military economic offices under the direction of regional employment service officials investigated employer labor demands and cooperated with the regional training engineers. The regional employment office manager assumed the additional function of controlling working conditions. Much the same type of administration was developed at the local level.

Centralized military control of war orders started out by direct military supervision of large firms but was continued after pressure developed to convert the smaller firm to war production. The military supply administration was represented on the commissions and on the regional economic office administration charged with regional clearance of war orders, as well as on the National Economic Council.

Period 1933-1936

The Nazi government ushered in the armament program by compulsory cartelization of industry in the fall of 1933, three months after extensive building of roads, factories, and airdromes had been started on a public works basis. By the end of 1934, compulsory associations of employers existed in virtually all branches of economic activity. In

the spring of 1933 labor organizations were transformed into a single government agency, the Labor Front (Arbeitsfront), under the general supervision of the Minister of Labor. Membership in this organization became compulsory for all workers.

Government control of production policy was inaugurated in the fall of 1934 when employer competition for skilled workers in the metal trades was beginning to disturb the continuity of employment in armament industries. In November of that year the Minister of Economy, under the first Four Year Plan, assumed direct supervision over the compulsory employer organizations within industry (Wirtschaftsgruppen) by setting up a National Economic Chamber (Reichswirtschaftskammer) and regional 9/ economic chambers (Bezirkswirtschaftskammern) to centralize economic planning.

The industry blueprint adopted by the first Four Year Plan, to combat future scarcities of labor, raw materials, and power, called for development of large scale mass production by concentrating armament efforts in large concerns, most of which were government operated. These concerns were to receive orders directly from a unified military supply administration. As the necessity arose, labor and raw materials were to be transferred to them from less efficient smaller plants.

Preferential treatment of producers at this time was limited to the distribution of imported raw materials. Supervisory offices (Ueberwachungsstellen) were established during the summer of 1934 under the control of the Minister of Economy to give precedence to armament needs in the so-called "W", or essential concerns, and to restrict the purchase of imports in the interests of national economy and the ability to pay.

National inspection of working conditions and worker placement were in existence when the Nazi regime was inaugurated. The former was a function of the Ministry of Labor; the latter constituted an important part of the work of an autonomous organization, the National Bureau for Placement and Unemployment Insurance (Reichsanstalt für Arbeitsvermittlung und Arbeitslosenversicherung).

9/ The term Bezirk, ordinarily translated "district", is used by the Nazi government to describe administrative subdivisions of the national government which, although influenced by the boundaries of originally independent feudal states, were primarily determined on the basis of homogeneous economic activity and density of population. Despite their small size these administrative units correspond to administrative regions in the United States.

There was extensive development of these various government agencies at regional 10/ and local levels. The administrative structure of the Labor Front furnished the basic pattern of organization for controlled employer organizations. This pattern, starting with the smallest industrial unit, the plant group (Betriebsgemeinschaft), provided for representation in local, regional, and national groups in all industries, both single and allied. Thus, within each region employer and labor groups considered regional problems and policies. In the spring of 1935 the High Command (Oberkommando) established regional military economic offices (Wehrwirtschaftsbezirken) for the selection and inspection of essential factories engaged on military orders. The employment service likewise had regional offices (Landesämter) and Labor Front officials, labor trustees (Reichstreuhänder), were in charge of drawing up collective rules regulating working conditions in each region.

In many respects local administrative units paralleled regional organizations. The local employment service and local representatives of the Labor Front and of controlled employer organizations functioned in each community.

Period 1936-1938

Administrative changes announced in October 1936 were the government's answer to the growing volume of unfilled vacancies and increasing scarcity of raw materials in blast furnaces and rolling mills, and the failure of iron and steel to maintain the previous rate of production. (See Chart 3.) The administration of the second Four Year Plan was designed to speed up lagging armament schedules by concentrating upon achieving self-sufficiency of raw materials, increasing the effective utilization of the available labor supply, and extending government control of prices and raw materials. The principal divisions of the new administration dealt with promotion of substitute or synthetic raw materials (Werkstoffe), mineral oil, food supply, foreign exchange, foreign trade, distribution of raw materials--including iron and steel and other metals--and labor supply. The addition of forestry and transportation divisions in November 1937 reflected the emergence of new problems; namely, the need to substitute wood for coal, increase cellulose production, and to improve communications.

A cabinet committee (Ministerialausschuss), composed of ministers from the regular departments of the government (including Economy, Labor, Agriculture, Transport) concerned with the same economic problems, was the sole coordinating link between the second Four Year Plan and established ministerial departments. Extensive duplication must have

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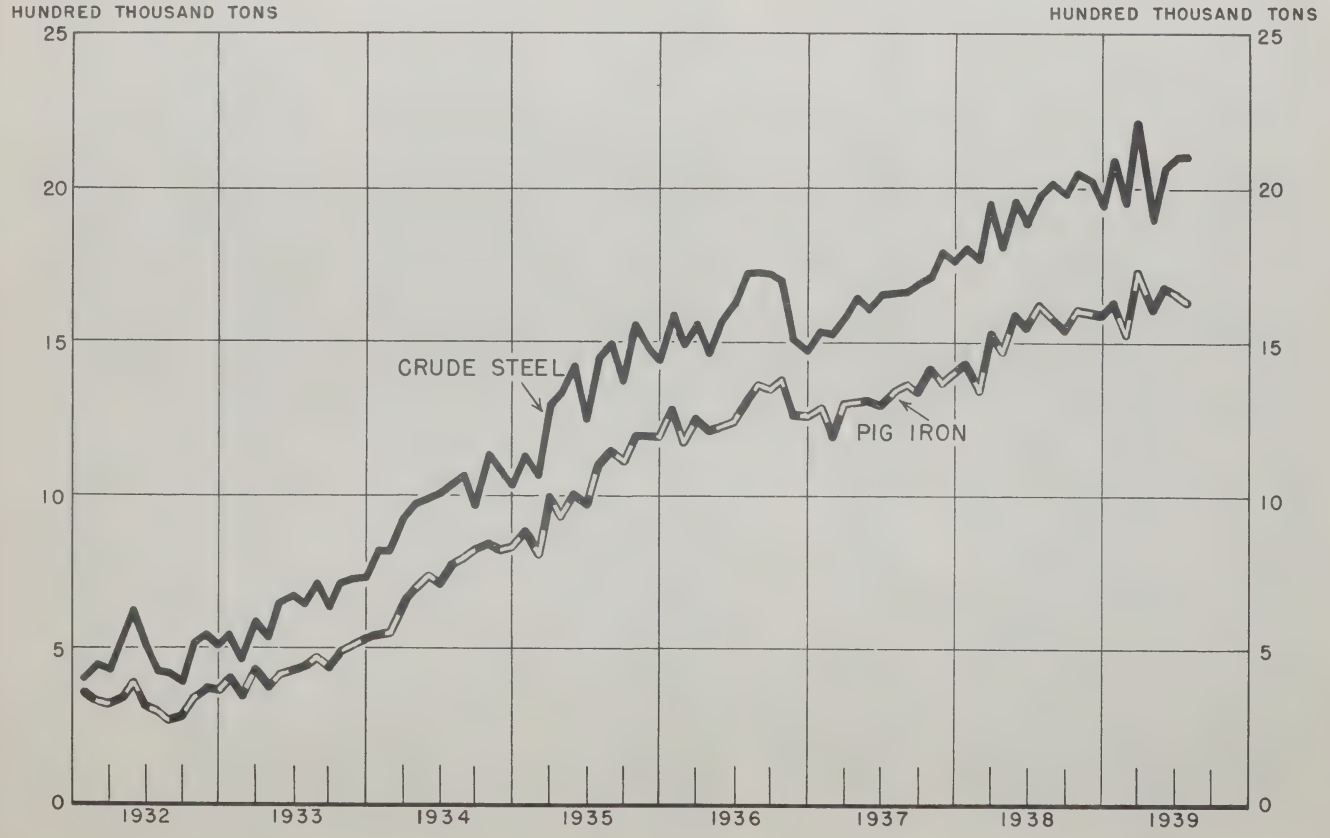
10/ For the most part, these regions covered the same territory, although in the case of the employment service there was overlapping in some instances because of larger areas covered by some regions.

Chart 3

IRON AND STEEL PRODUCTION IN GERMANY, BY MONTHS

JANUARY 1932-JULY 1939



resulted because in the spring of 1938, in the interests of simplified administration, the major functions of the second Four Year Plan, primarily concerned with raw materials and industry control, 11/ were transferred to the Ministry of Economy. Henceforth, the functions of the second Four Year Plan were confined to the regulation of prices, forestry, and transportation, and the solution of food and labor supply problems. The Ministry of Economy assumed the major responsibility for formulating and directing industrial policy and raw material distribution.

At the end of 1936, when shortages of skilled metal workers became acute, government control over the distribution of industrial resources was extended. The supervisory offices undertook the direct allocation of both domestic and imported raw materials, 12/ and the employment service was authorized to introduce preferential allocation of labor in the metal industry. 13/

In 1938 when total reserves of unemployed were approaching exhaustion, production and labor supply organizations were coordinated. An integrated national policy was achieved by making the head of the National Bureau for Placement and Unemployment Insurance director of the Administrative Section of the Division of Labor Allocation of the administration of the second Four Year Plan. At regional and local levels the distribution of basic scarce raw materials in nonessential industry became dependent upon the availability of requisite labor by authorizing the employment service to distribute assigned quotas of iron orders first to nonessential construction projects, and later to all forms of nonessential industry. 14/

Developments After 1938

Need to eliminate competition between government agencies and centralize planning, as well as to limit employer rights and allow the employment service greater freedom to reallocate and insure a maximum

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11/ These functions comprised (1) the production of domestic and substitute synthetic raw materials including industrial fats and the control of second hand goods; (2) the control of foreign trade; and (3) the distribution of raw materials including iron and steel.

12/ Requisite raw materials were assured recipients of essential orders by allotting quotas of orders for raw materials to government administrations for distribution in connection with the placement of orders for essential products.

13/ See page 17.

14/ Controlled employer organizations in each industry were still permitted to distribute auxiliary materials such as iron for repairs, driving belts, and lubricating oil.

effective use of employed labor, was responsible for additional streamlining of national industrial control in 1938 and 1939. National commissioners under the Ministry of Economy were appointed for major essential industries, such as construction, machine building, power, and automotive transport, with exclusive control over employer regional or trade groups in the industry, in order to remove employer resistance to more extensive transfer of workers from nonessential to essential industries. As early as December 1938 the autonomous National Bureau for Placement and Unemployment Insurance became a department of the Ministry of Labor and the Minister of Labor assumed control over the Labor Front. In September 1939 following the declaration of war, the last vestige of competition between government departments was removed by transferring the administrative functions of the second Four Year Plan relating to control of transportation, forestry, food, labor supply, and price regulation to the Ministry of Economy. At the same time a National Economic Council (Reichswirtschaftsrat) was established under the leadership of Reichs Marshal Hermann Göring to determine the policy of the war economy. This council comprised the Minister of Economy, the Minister of Labor, the Minister of Food and Agriculture, the Minister of Transport, the Minister of Interior and Forestry, the Under Secretary of the second Four Year Plan administration, the Price Commissioner, the Chief of the Military Economy and Armaments Administration of the High Command, and a representative of the National Socialist Party.

There was also increased centralized direction of labor supply policy. A national training committee was established, composed of the Minister of Economy and representatives of the Office of Vocational Education, the Works Leadership Division of the Labor Front, and the Vocational Training Division of the Employment Service. National commissions (Reichskommissionen) were likewise formed to investigate labor requirements and special industrial problems of large concerns. These commissions, presided over by a member of the national employment service administration, were composed of members from the National Armaments Administration, and, when necessary, representatives from the appropriate industry department of the Ministry of Economy.

Increased integration and centralization of controls over the national economy were accompanied by increased decentralization of administration to permit greater local utilization of plant facilities, raw materials, and labor for armament production. A number of factors accounted for this change of policy: the costliness, waste, and problems of transportation which had resulted from the policy of wholesale transfer of raw materials and workers from small to large firms; the increasing need to assure maximum effective use of the available, especially the skilled, labor supply; the necessity of curtailing nonessential employment to secure additional worker reserves for war industries; and the difficulty of enforcing the large scale compulsory transfer of labor.

Regional administration in all fields of armament production was developed and coordinated to enable the resources of a given region to

be fully explored and utilized before economic activity in the region was disturbed. Regional economic offices (Bezirkswirtschaftsämter) were opened by the Ministry of Economy to coordinate production problems of armament industries, cooperate in the rationing of raw materials, and administer consumption goods rationing. Membership of these offices included regional representatives of the military inspection and armament administrations and of employer groups in industry. In important essential industries a regional commissioner was appointed as the official representative of the national commissioner for each region to work out special industry problems in cooperation with the regional economic office. Regional clearing offices (Bezirksausgleichsstellen) were set up to effect a wider distribution of orders and to convert all available production capacity to armament products, especially in closed-down consumer goods factories. Armament orders still continued to be placed directly by the military supply administration in the case of the large "W" or essential plants. Regional clearing offices were designed to spread armament orders among small concerns. Regional distribution by the employment office of orders for basic scarce raw materials for non-essential construction work was also extended to include steel, lumber, and cement, as well as iron.

Regional coordination between armament labor supply and production administrations was widely developed. Regional commissions 15/ collected information and investigated conditions in plants with 200 or more workers to determine whether or not the labor demands were justified and whether labor control regulations were being followed. These commissions were presided over by the placement officer of the regional employment office, or an especially experienced manager of the local employment office, and included regional members of the military supply administration, and, if the occasion demanded, a representative of the regional economic office. Special labor supply officers (Kraftseinsatzreferenten) were also appointed for regional chambers of industry and commerce, and the newly organized regional economic offices, to work out labor supply problems with the regional employment offices. The regional labor trustee became head of the regional employment office to coordinate control of wages and working conditions with the labor distribution problem. Training engineers were assigned to each regional employment office to direct the execution of the vocational training and retraining programs within the region.

Local community organization was similar. Local commissions, charged with the investigation of employers with 50 to 200 workers, 16/

15/ Composed of 5 to 10 members depending upon the region.

16/ Plants with less than 50 workers were visited solely by the local employment office representative.

differed from the regional commissions only by the addition, if the occasion demanded, of local factory inspectors and technical advisors. The local employment office manager likewise assumed direct control over working conditions by becoming the agent of the labor trustee. In such capacity he was empowered, with the aid of the local factory inspector, to investigate working conditions and wages as well as the enforcement of labor control measures.

Chart 4

LABOR SUPPLY ADMINISTRATION IN GERMANY*

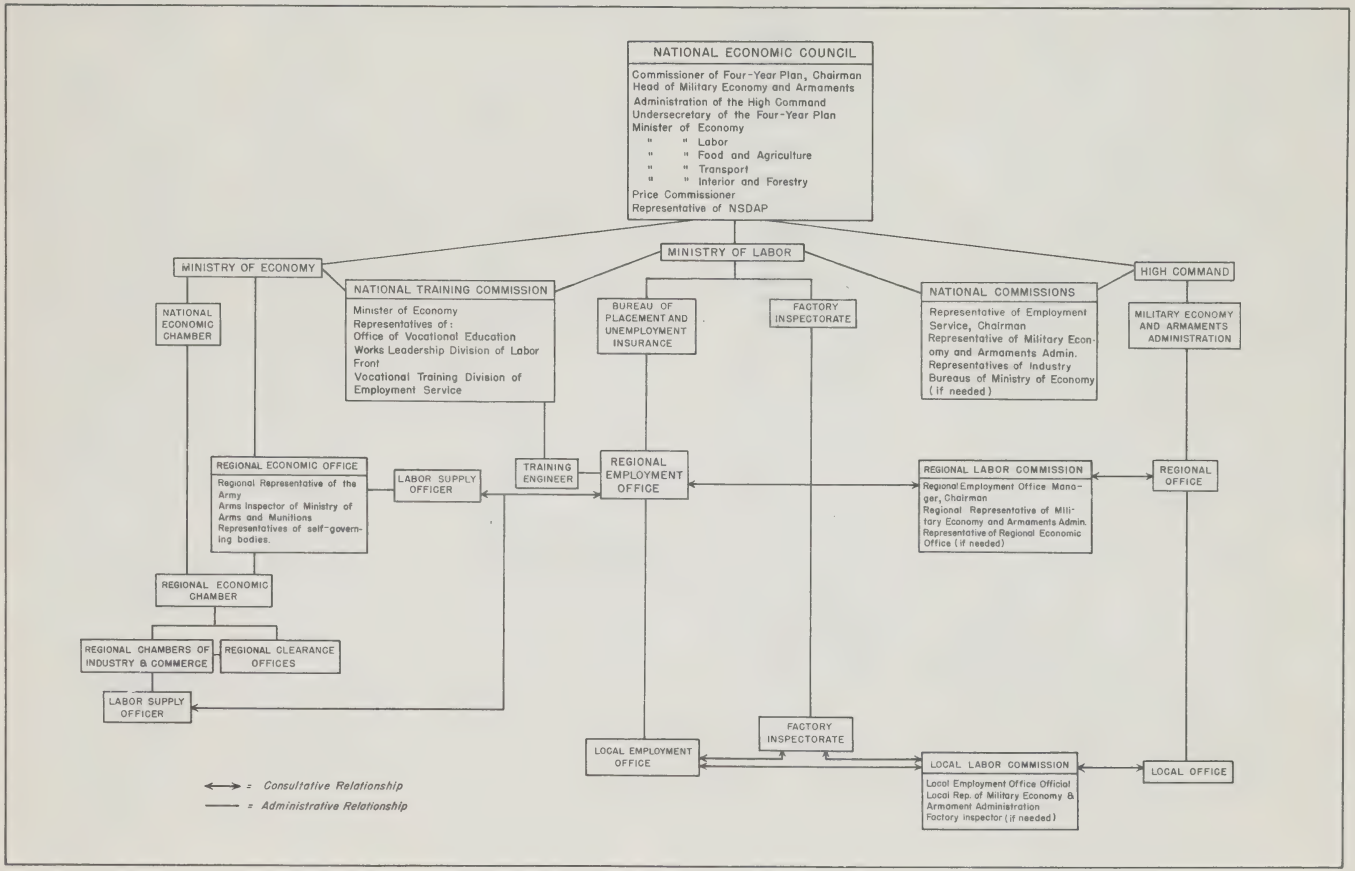
NATIONAL ECONOMIC COUNCIL
Commissioner of Four-Year Plan, Chairman
Head of Military Economy and Armaments Administration of the High Command
Undersecretary of the Four-Year Plan
Minister of Economy
" " Labor
" " Food and Agriculture
" " Transport
" " Interior and Forestry
Price Commissioner
Representative of NSDAP
MINISTRY OF ECONOMY
MINISTRY OF LABOR
HIGH COMMAND
NATIONAL ECONOMIC CHAMBER
NATIONAL TRAINING COMMISSION
Minister of Economy
Representatives of:
Office of Vocational Education
Works Leadership Division of Labor Front
Vocational Training Division of Employment Service
BUREAU OF PLACEMENT AND UNEMPLOYMENT INSURANCE
FACTORY INSPECTORATE
NATIONAL COMMISSIONS
Representative of Employment Service, Chairman
Representative of Military Economy and Armaments Admin.
Representatives of Industry Bureaus of Ministry of Economy (if needed)
MILITARY ECONOMY AND ARMAMENTS ADMINISTRATION
REGIONAL ECONOMIC OFFICE
Regional Representative of the Army
Arms Inspector of Ministry of Arms and Munitions
Representatives of self-governing bodies.
LABOR SUPPLY OFFICER
TRAINING ENGINEER
REGIONAL EMPLOYMENT OFFICE
REGIONAL LABOR COMMISSION
Regional Employment Office Manager, Chairman
Regional Representative of Military Economy and Armaments Admin.
Representative of Regional Economic Office (if needed)
REGIONAL OFFICE
REGIONAL ECONOMIC CHAMBER
REGIONAL CHAMBERS OF INDUSTRY & COMMERCE
REGIONAL CLEARANCE OFFICES
LABOR SUPPLY OFFICER
FACTORY INSPECTORATE
LOCAL EMPLOYMENT OFFICE
LOCAL LABOR COMMISSION
Local Employment Office Official
Local Rep. of Military Economy & Armament Administration
Factory Inspector (if needed)
LOCAL OFFICE
= Consultative Relationship
= Administrative Relationship

*CHART REPRESENTS ONLY AGENCIES CONCERNED WITH PROBLEMS OF LABOR SUPPLY (AS OF MAY, 1941)

RECRUITING PROBLEMS

In Germany frequent revision of techniques for securing qualified labor needed by armament industries accompanied the appearance of new labor market problems. Early attempts to redistribute the employed population in order to release the under-25 age group for military training were relatively unsuccessful. The problem of skilled labor allocation between military and civil requirements was ultimately solved by compiling a military occupational register, permitting indefinite deferment in the case of individuals possessing strategic skills, and demobilizing soldiers in between campaigns for temporary employment in key shortage occupations. Absorption of large reserves of unemployed workers in armament industries was promoted by utilizing relief workers on armament construction projects and reconditioning unemployable workers; by wide use of clearance procedures and workers from related occupations in other industries; and by dovetailing seasonal labor demands.

Under a program concentrated upon training for the specific job, employers were eventually required to provide adequate basic and specialized training for young workers. Public training courses were used to reorient the long-term unemployed and to prepare inexperienced adult workers for employment in new industrial fields. Training engineers working under the coordinated direction of labor supply officials, educational authorities, and industrial engineers, were placed in charge of regional training programs.

Transfer from nonessential to essential employment was negotiated by employment service officials or effected by the use of indirect compulsion until reserves of unemployed were virtually exhausted. Widespread compulsory transfer to a new locality for an indefinite period, undertaken against the worker's will, was found to be unenforceable. The practice of attempting to force workers to accept substandard employment when better job opportunities were available, was equally unsuccessful. In these situations the absence of any appeal machinery in Germany was doubtless a contributing factor.

Acute labor shortages promoted the development of improved industrial techniques and the use of new entrants in the labor market. Increased efforts were made to rationalize production processes; economize in the use of skilled workers by increasing use of lesser skilled groups, especially women; and stabilize seasonal and irregular employment. Compulsory measures were used to force large numbers of women to enter the labor market and utilize the services of foreigners from occupied countries and prisoners of war.

Early introduction of price control had the effect of stabilizing the cost of living. Maintenance of a completely stable wage policy proved difficult. Drastic controls such as the abolition of overtime resulted in repercussions on worker output and had to be immediately abandoned. Because of the effect on worker morale, unlimited extension of working hours was likewise abandoned in favor of the 10-hour day as the maximum working

schedule compatible with continued maintenance of production levels. Necessity for a minimum of financial security, sufficient to maintain suitable living and working conditions compatible with the maintenance of worker health and morale, was also recognized.

Safeguarding Labor Reserves

Efforts designed to safeguard the continuity of employment on essential work in the event of general mobilization for war were made in the early stages of the German armament program. The first of these measures attempted a general redistribution of the employed population to increase the proportion of older workers and to release youths needed for the armed forces regardless of the armament industry need for skilled workers. By the end of 1936, as a result of acute shortage of skilled workers in the metal trades, the method of attempting to stabilize industry during wartime by increasing the proportion of older workers was limited to the field of salaried workers.

The first order of August 28, 1934 authorized employment service control of hiring workers under 25 years, 17/ requested employers to fix a quota of workers under 25 replaceable by unemployed workers over 40, and directed regional employment offices to fix the quotas of employers who failed to comply with the request. Apparently this order was not widely enforced because during the year ending October 1935 it resulted in the release from employment of only 130,000 young workers. Ostensibly these workers were released to fill harvest agricultural labor requirements. Afterwards the employment service promoted the entrance of male youths in the group into the Labor Service 18/ in preparation for military training. In the later measure of November 6, 1936 employers were forced to substitute unemployed workers over 40 for salaried workers in the under-25 group. Complaints of workers discharged under this order furnish evidence of the unpopularity of the measure. Information is not available, however, upon the extent of its enforcement.

The first registration order under the compulsory military training law of May 21, 1935 contained no specific procedure for occupational exemption in the interest of safeguarding skilled workers needed for armament industries, other than the general statement that the regional military commander (Wehrbezirkskommandeur) was expected to prepare a list of registrants eligible for exemption on occupational grounds. As the supply of strategic

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17/ Except apprentices or persons who had completed their apprenticeships within a year, married men, and persons either honorably discharged from the Army or who had previously fulfilled a year of Labor Service or volunteered for a year as an agricultural assistant.

18/ The Labor Service was established before the advent of Hitler on June 5, 1931, as an organization in which unemployed workers between the ages of 19 and 30 could volunteer for public improvement work. After May 15, 1934 employment exchanges in certain localities were directed to refuse unemployment benefits to unemployed workers who failed to volunteer for such service. The order of June 26, 1935 made a minimum of six months' enrollment in the Labor Service compulsory for all youths from 18 to 25 years, but the girls' branch of the Service was not established until October 1, 1937.

skills dwindled, however, more and more attention was given this problem. After March 21, 1936 provision was made for a complete military registration of skills by requiring registrants to submit work books and proof of vocational training to the draft boards. At this time deferment, renewable annually for a maximum period of seven years, was permitted for the period of a year. A further amendment on April 17, 1937 forbade the deferment of whole occupational groups and declared deferments invalid in the case of mobilization; but a year later, on April 14, 1938, the army general commander, in cooperation with the Minister of the Interior, was authorized to exempt individuals for indefinite periods. The disappearance of the last reserves of unemployed in 1939 was responsible for further protection of scarce skills. The amendment of March 15, 1939 permitted indefinite deferment at the request of the individual or the employer on the grounds of national interest, and a later amendment, on June 26, recognized the specific need for individual deferment on occupational grounds.

The acute state of labor shortage in 1939 was responsible for further recognition of the need for maximum utilization of available skills. After the Polish campaign military and civilian employment on a compulsory service basis became interchangeable so that skilled workers in the armed forces could be utilized in armament industries in between periods of active warfare. This procedure had the advantage of improving the industrial skill of conscripted men while new untrained classes were being called up for military training.

Absorption of the Unemployed

The vast reserves of over 6,000,000 unemployed were utilized for armament purposes as volunteer relief workers and as unpaid members of a compulsory service corps. To replenish the depleted agricultural labor force young persons under 25 were encouraged, after March 1933, to volunteer for 6 months' work on farms as agricultural assistants for a maximum monthly compensation of 25 Reichsmarks. Unskilled unemployed workers receiving benefits or relief grants were employed on an extensive public works program to build roads, factories, airdromes, air-raid shelters, and rural and urban worker dwellings. 19/ After June 1935 the Nazi regime utilized the unpaid services of youth from 18 to 25 years in the compulsory Labor Service on land improvement, road construction, and railroad repair work.

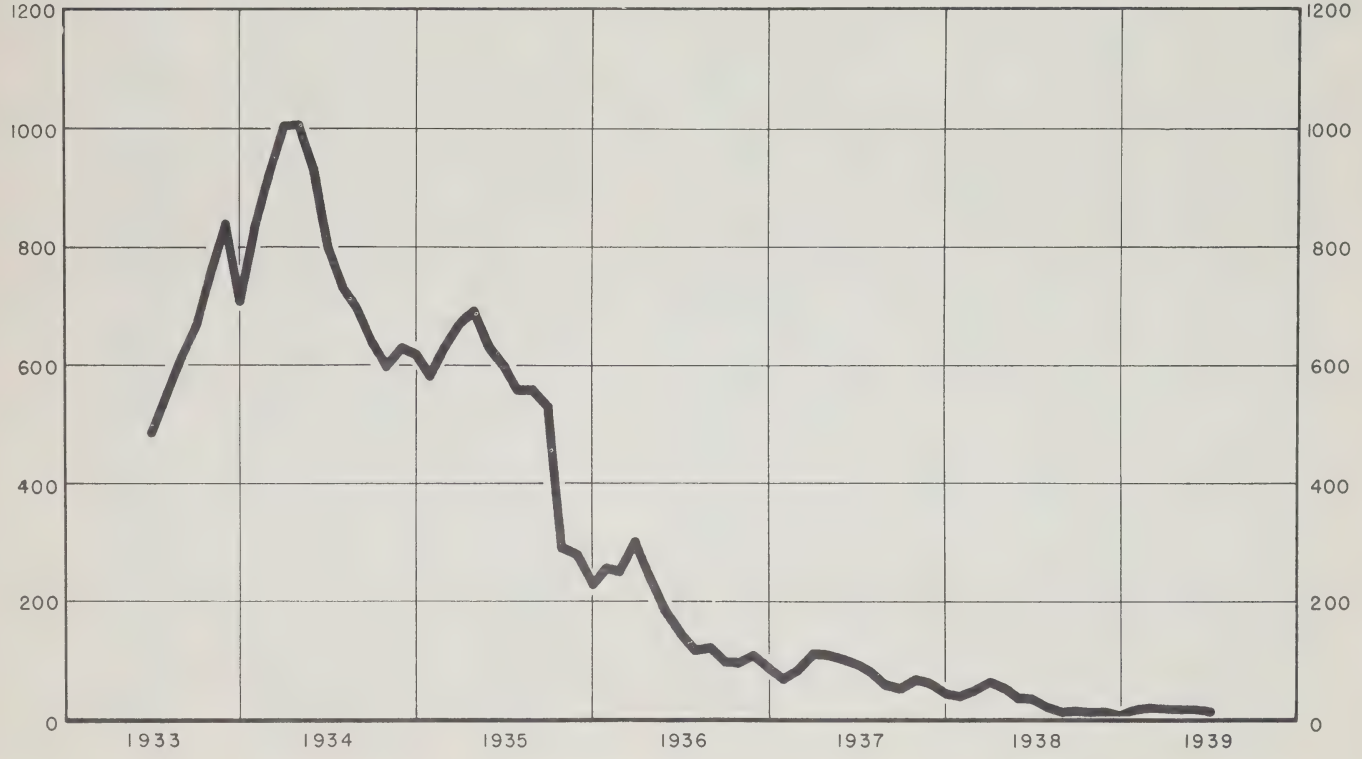
The volume of workers who engaged in these three types of work from 1933 to 1939 is shown in Chart 5. Peak employment of slightly more than one million, mainly relief workers engaged in construction work, occurred in the midsummer of 1934. The marked decline after 1935 is accounted for by the completion of major construction projects during 1934, the introduction of compulsory military training in May 1935, and the abandonment in January 1936 of the scheme for volunteer agricultural assistants because of the failure of the young people to remain on farms.

19/ In addition to benefit payments they received a daily hot meal or its equivalent and 25 Reichsmarks for 4 weeks' full-time work.

Chart 5

EMPLOYMENT OF ADDITIONAL WORKERS IN GERMANY

JUNE 1933-JUNE 1939



In 1935 and 1936, as the demand for workers on a regular wage basis increased, and shortages of skilled metal and building trades workers in essential armament occupations became more and more widespread, the employment service made special efforts to increase the absorption of the unemployed. Inter-district and nation-wide clearance were widely used. Unemployed workers from closely related occupations were placed in armament metal trades jobs. In October 1936 a monthly review of the unemployed was started to determine to what extent skilled and semiskilled workers were qualified in their usual occupation, and to what extent workers in general were fully or not fully employable. After November 1936, when armament labor requirements were given preference, seasonally unemployed metal workers from the building trades were widely used on essential work in the metal industry. There was also increased placement of workers in the over-40 group in 1934, and again in 1936, in connection with the previously noted measures designed to remove the under-25 group from industry.

When qualified reserves were virtually exhausted, new placement techniques were developed. In agriculture, in 1935 and 1936, such practices included group placement of volunteer young workers below 25 under experienced leaders and increasing use of unemployed persons from other occupations for peak harvest demands. After 1936 unskilled and not fully qualified skilled workers were extensively used in all industries. In 1939, when remaining unemployed reserves mainly comprised the seasonally unemployed, the practice of temporarily utilizing seasonally unemployed workers on essential work was widely advocated.

Training

The importance of vocational training in Germany was recognized long before the advent of Hitler. There were three types of vocational institutions for the training of skilled workers: technical institutes (Technische Hochschulen), technical or trade schools (Fachschulen), and continuation schools (Berufsschulen and Fortbildungsschulen). The first two provided optional specialized full-time instruction in many branches of vocational education. Continuation schools were part-time trade schools offering general supplementary education. Attendance in continuation schools was compulsory for young persons leaving school up to the age of 18, including apprentices. In industry apprenticeship training was regulated and inspected by the Chamber of Handicrafts (Handwerkskammer). In addition, the National Bureau of Placement and Unemployment Insurance provided special general vocational training for unemployed persons, during which trainees were entitled to receive 8 weeks of unemployment benefits.

Under the Nazi regime the responsibility for training the unemployed was shifted from the National Bureau to private industry in order to develop training for a specific job. Additional training needed to fit skilled and semiskilled unemployed workers for armament work was

given on production machines in the plant. Continuation schools were, however, used to recondition the long-term unemployed workers for training within industry. In November 1936, when there were marked shortages of skilled workers in the metal and building trades, employers with 10 or more employees in the metal and construction industries were required to train an assigned quota of apprentices or pay the National Bureau a sum equal to the cost of such training.

New developments in the training program occurred in 1937 and early 1938 when the supply of skilled and experienced workers in essential industries was virtually exhausted, and it became necessary to utilize the services of increasing numbers of inexperienced and unskilled workers. In-service training began to be supplemented by public training. Over 200 courses were opened in technical schools and other available suitable quarters under the direction of the Labor Front. Courses in residence were supplemented by public correspondence courses specially designed for employed workers. These courses furnished basic training to inexperienced workers or workers transferred from other industries, and also provided supplementary theoretical and technical knowledge in connection with upgrading. Pressure on employers to train workers was likewise increased, while 4- to 6-week courses and mutual training centers were developed in many localities for the training of semiskilled operators. Employers who agreed to accept inexperienced workers for a 6-week unpaid probationary period were required, once such a period was satisfactorily completed, to guarantee necessary further training and regular employment for a period of not less than 5 months. Trainees in these cases were entitled to receive unemployment benefits for an initial 8-week period.

Agricultural as well as industrial training was developed. Under the direction of the National Food Estate, 2-year apprenticeship courses were opened on farms for youth leaving school. In connection with the obligation to accept a year's employment in agriculture, short 8-week agricultural training courses (with compensation furnished on the basis of need) were offered girls under 25.

When reserves of unemployed were virtually absorbed, emphasis was again placed upon employer training, especially instruction designed to promote retraining and upgrading. After September 1939 employers were required to fulfill the training requirements prescribed by regional training engineers who cooperated with the special commissions investigating employer labor requirements to determine whether or not further upgrading and employment of inexperienced workers was necessary in order to release skilled workers.

In this connection, employer training responsibilities included provision for systematic training for semiskilled operators and skilled workers, systematic advanced apprenticeship training, and general training courses in practical economic problems related to industry. In the practical application of this program three basic types of training were

established: (1) apprenticeship training during a period not generally longer than 3 years, with considerable curtailment of required trade school attendance; (2) training for specialized semiskilled occupations for 1 to 2 years; and (3) training for simple semiskilled operations in short 4- to 6-week courses.

In connection with the need for widespread retraining of adults transferred from other occupations, a basic preparatory training course of about 3 months was followed by special shop retraining courses with about 10 trainees allotted to each instructor. Experience in this type of training has proved that for psychological reasons adults should be separated from young apprentices, that the best ages for retraining were between 20 and 40 years, and that waiters and barbers, because of their manual dexterity, could be retrained for the lower grades of mechanical work but could not acquire the skill of all-around machinists or tool makers.

Government aid to trainees and to employer training programs was also initiated. After January 1940 additional maintenance allowances, based on the customary unskilled rate in the industry, were granted during the training period. Training costs of employers were partially subsidized when training for a minimum period of 3 months was undertaken to supply the needs of other firms.

The policy of wholesale transference of independent metal craftsmen to employment in war industries seems to have been partly responsible for a marked shortage of training instructors. Formerly small handicraft shops were the principal apprenticeship schools for highly skilled metal workers and the main source of instructors for technical schools. The concept that any skilled worker was automatically a good teacher was abandoned. Retired master craftsmen, however, proved satisfactory instructors when provided with journeymen apprentices trained as their assistants.

To an increasing extent industrial vocational needs determined the nature of primary and secondary school education. In 1938 vocational school lecturers had to be approved by the employment service, and the Ministers of Labor and Education were jointly authorized to coordinate academic and professional education in vocational fields.

Government pressure appears to have been exerted on workers in connection with choice of a career as well as the place of employment. In March 1938 youths leaving school, and their parents as well, were required to report the fact to the employment service, and the following December the public school administration was held responsible for conveying this information. Officially, with parental consent, youths are still free to choose their vocations, and articles in the Reichsarbeitsblatt in 1940 lamented the fact that mining and agriculture were not popular. On the other hand, in September 1939, the employment service was instructed to recruit young persons from such organizations as the Hitler Youth and the League of German Girls for apprenticeship training

in agriculture, coal mining, the metal and chemical industries, and special occupations in building. After the spring of 1940 the movement of apprentices in essential industries was restricted. Apprentices who completed their course of training were forced to remain in the plants where their training was acquired.

The training program has been extensive in scope. In 1938 a total of 3,250,000 workers attended training centers. In the fall of 1940 it was estimated that Germany had retrained a million workers since the war began. In the period between 1937 and 1940 an average of 560,000 boys left school each year. The minimum training potential, therefore, is apparently at least 1,500,000 a year.

Compulsory Labor Controls

The extent to which workers were forced to transfer from non-essential to essential work, required to do specific work for a definite or unlimited period, and subjected to other compulsory labor controls, depended primarily upon the degree of labor scarcity. As unemployed reserves were exhausted, compulsion was more and more widely used.

Transfer.--Before labor shortages appeared compulsory transfer powers were sparingly used. The enabling act that delegated wide powers to the employment service in regard to the allocation and reallocation of workers was passed in August 1934 before any shortages among skilled groups were officially reported. More than 2 years later, in November 1936, when skilled metal trades and building workers were becoming scarce, specific application of the compulsory transfer power was limited to the authority to negotiate for the return of skilled workers in these trades. These negotiating powers were, however, carefully circumscribed. The worker was not expected to change his job if the new job was temporary or less well paid, or if it involved separation from his family. Moreover, transfer to suitable skilled employment in the same plant was considered a solution of the problem.

Efforts made at an early date by the Nazi government to force agricultural workers back to the land were the outcome of the emphasis upon economic self-sufficiency as a first step in armament. Here, however, as in other fields, indirect rather than direct means were used to accomplish this purpose. 20/ The order of May 15, 1934 required employers in a number of industries 21/ to discharge employees formerly

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20/ To some extent previous agricultural labor market experience must have influenced this course of action. During the last war efforts to force agricultural workers back to the land had failed. Voluntary inducements offered to the urban unemployed to accept farm work during the post-war period had likewise proved unsuccessful.

21/ Building materials, canning, coal mining, construction, hotels and restaurants, and metal processing industries.

employed in agriculture. It was introduced at the beginning of the agricultural season, on the assumption that workers forced out of employment would return to agriculture. Employment service control of agricultural placement was authorized in the same order to facilitate the back-to-the-farm movement.

The one attempt at direct application of compulsory transfer in this early period appears to have been sparingly applied and finally abandoned in favor of indirect compulsion. The order of August 28, 1934, which attempted industrial replacement of the under-25 by the over-40 group, was not widely enforced. Two years later, when a similar redistribution of age groups was attempted among employed salaried workers, all reference to compulsory transfer was carefully avoided. In the decree of November 7, 1936, employers were required to accept a suitable proportion of qualified workers over 40 and the indirect result, discharge of workers under 25, was not mentioned.

When reserves of unemployed for essential industries were becoming depleted, direct resort to compulsion increased but indirect measures continued to be used. In March 1935 agricultural workers were ordered to leave their current employment and to return to agriculture. In 1937 the employment service was permitted to revoke the licenses of peddlers and itinerant salesmen, a small group of about 218,000 22/ persons, for training and transfer to essential armament work. Transfer was also effected by agreements negotiated with employers, and by curtailment of the consumer goods industries. The practice, begun in 1935, of meeting agricultural harvest requirements by the temporary release of industrial workers was extended early in 1937 by special employer agreements. In the summer of 1937 transfer of workers from nonessential to essential work was also encouraged by curtailment of partial employment in the textile industry and refusal of partial unemployment benefits to workers under 30 without dependents.

Virtual exhaustion of unemployed reserves after 1937 resulted in extension of both indirect and direct compulsory transfer. Early in 1939, not only independent metal trades craftsmen but bakers, butchers, hairdressers, tailors, shoemakers, as well as small retailers, were retained and transferred to essential work. On the basis of figures in the Jahrbuch des Deutschen Handwerks, 1938-39, 23/ at least 200,000 workers must have been added to armament industries as a result of this measure, because between 1936 and 1939 the number of independent craftsmen declined from 1,652,000 to 1,471,000. By the end of 1940, widespread shut-down of consumer goods industries by district economic offices, plant investigations by local and district commissions, and the

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22/ Based on 1936-37 licenses issued.

23/ Reported in the Deutsche Volkswirt, August 4, 1940, p. 2175.

elimination of partial unemployment, except as a temporary measure, were reported to have released 486,000 workers from pottery, glass, leather, and paper industries for retraining and employment in the metal industry. Workers unemployed as a result of this action were not permitted to refuse work offered and draw the full amount of unemployment relief. Relief grants were reduced after a single refusal and denied if the refusal was repeated.

Transfer within the same occupation was also widely used. Engineers in building, electrical, and machine tool industries were transferred to testing and experimental laboratories and departments. Building and skilled metal workers were transferred freely from nonessential to essential work.

Although based on compulsory power, application of the right to transfer workers appears to have been primarily an administrative problem in which job qualifications and socio-economic conditions inevitably played an important role. Even during periods of extreme scarcity, employment office executives recognized an "ortsgebunden" (tied to one locality) group. To be sure, as shortages became more acute, the definition of what constituted irrevocable ties changed. In December 1936, when total reserves of unemployed amounted to 1,500,000, 47.2 percent of the unemployed group were considered employable but not available for transfer and nearly 35.9 percent both employable and available. By December 1938, when total reserves had diminished to 456,000, these proportions were reversed: 38.5 percent of the unemployed group were employable but not considered available for transfer as compared with 40.7 percent both employable and available.

Many problems resulted from widespread direct and indirect compulsory transfer. Variations in wage rates and working conditions in the same occupation raised difficulties. Workers were frequently transferred without sufficient consideration for their previous occupations and training. Employers arbitrarily shifted workers to different occupations to cut their wages. Many older workers and married women remained unemployed after factories shut down because of their incapacity for, or inability to transfer to, other work. The practice of requiring return to the usual occupation--first applied to skilled metal workers, and finally, in June 1939, becoming a general placement rule for the recovery of lost skills--also proved to have disadvantages. Persons returning after long separation to skilled occupations did not always prove to be efficient workers.

Need for increased public aid to offset the financial disadvantages of compulsory transfer was also recognized. At first such assistance was confined to payment of transportation costs and allowances during the prescribed retraining period. Later in 1939 a liberalized program granted separation allowances to maintain housing, food, clothing, medical care, and vocational training; special assistance to meet excep-

tional financial obligations such as taxes, interest payments, social insurance contributions, etc.; and compensation for permanent loss of social insurance rights in the form of employer payment of 3 months' wages at the current rate in addition to transportation costs. 24/

Compulsory service.--The introduction of compulsory service as a basis for employment in any field of endeavor initiated labor conscription and narrowed, if it did not entirely eliminate, the field of administrative discretion. Similar to military conscription, labor conscription, whether or not under a regular labor contract, was based on the duty the individual owed the Nation.

Prior to June 1938 the application of this concept was limited to the obligation of youths from 18 to 25 years to spend a minimum period of 6 months engaged in unpaid labor in preparation for military training, and of girls under 25 to spend a year in agricultural or domestic employment to offset exhaustion of unemployed reserves in these fields.

The continuous enlargement of the scope of compulsory service during 1938 and 1939 reflected progressive exhaustion of the reserves of unemployed. The compulsory service status was first applied to the employment of German nationals on regular or emergency work for a limited period of time. Later, however, the compulsory service status was likewise applied to aliens residing in Germany and occupied territories and indefinite extension of the period of such employment was permitted.

The trend toward generalized use of labor conscription was, however, soon replaced by more restricted application of this form of employment. In 1940 employment on a compulsory service basis began to be limited to key occupations, for the most part in highly skilled categories where shortages were most acute. Between June 1938 and June 1940, 1,750,000 persons, including 250,000 women, were employed on a compulsory service basis, nearly nine percent of the average number of employed workers, but by October 1940 this group had declined to 350,000, less than two percent of the average volume of employment. 25/

Employment on a compulsory service basis was limited to the exceptional cases because of the disadvantages from the point of view of worker morale. As one German writer expressed it, "A worker who must be kept at his job by force is of as little use as a hound who must be carried to the hunt." In November 1940 an official circular complained of building workers employed on a compulsory service basis who

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24/ Transportation costs to the new job were paid by the employment service. The new employer was required to meet the expenses of the return fare.

25/ Based on average monthly employment of 20,201,000 from July 1, 1938 to June 30, 1939.

returned to obtain work at home without the required permission from the employment office at the place of their last employment.

Employment on a compulsory service basis apparently also encouraged inefficient production and employer hoarding of workers. Compulsory labor requirements of employers in "W" factories were frequently exorbitant, and labor conscription often proved a free passport for inefficient production. In 1940, for instance, building contractors engaged on both nonessential and essential projects started workers on a compulsory service basis on essential projects in the morning, and in the afternoon shifted them to nonessential projects and requested additional workers for the essential projects.

Other compulsory controls.--A number of facts are worth noting in regard to the development of other forms of labor controls. The employment service remained the sole legal placement agency for all forms of employment except those of the musical and theatrical professions, but placement control was not attempted in unpopular occupational fields, and employer recruiting by advertisement was always permitted. Employment service control over hiring was given up in agriculture 26/ and coal mining and was never extended to domestic service in homes with children under 14. Employers were allowed and even encouraged to advertise for labor, provided the advertisements were signed with the official firm name.

In the beginning, control of placement appears to have been used indirectly to protect skilled labor reserves in armament factories during temporary stoppages, and to combat labor pirating and reduce labor turnover, as well as to institute direct control of the flow of workers into employment. For example, in the order of December 29, 1934, which appeared before labor shortages were officially reported, skilled metal workers were to be permitted, as a general rule, to accept work outside the local community in case of permanent but not temporary separation from the job, and in case

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26/ As armament industries had more and more difficulty in filling their labor requirements, efforts to increase the agricultural labor supply at the expense of industrial employment were tacitly abandoned. Regulations, introduced in 1934, forbidding migration of rural population to urban centers were repealed in 1936 and employment offices no longer interfered with the flight from the land in pursuit of higher wages. Between 1935 and 1938 it has been estimated that 650,000 workers left agriculture for industrial employment. During 1938 the turnover rate in agriculture in the Rhineland district was 260 percent. In March 1941 the Minister of Labor complained that employment offices were aiding foreign workers to shift from agricultural to industrial work.

In 1939 placement control was extended to coal mining in July and withdrawn in September.

of return to their usual occupation or customary place of residence. Later on, when the skilled labor shortage problem had become acute, control of labor turnover and pirating became the primary objective of the regulation. The order of February 11, 1937, which extended control of hiring to all workers in the metal trades and still permitted workers, as a general rule, to accept other employment in any locality if it involved return to their usual occupation or customary place of residence, authorized the employment service to deny such permission on the general ground of the national importance of the work, as well as for the reasons enumerated in the earlier order. The extent to which unemployed workers were by this time being placed outside of their own communities is shown by a change in employment service procedure. Instead of securing permission to take a new job from the employment office in the community where his home was located, the worker was required by a later regulation to obtain this permission from the office in the community where his last place of employment was located.

When separation began to be controlled in all fields of employment in 1938, such control was limited to voluntary quitting. Separation after temporary employment, with the mutual consent of the employer and the employee, and separation following a factory shutdown was not regulated. It is also significant that there was no attempt to control the separation of casual workers. Decasualization of migratory agricultural workers had been attempted in connection with placement control, but did not prove entirely successful because of the failure of migratory workers to follow regular patterns of employment.

In some cases at least, it seems to have been easier to organize control of industrial labor than of white collar workers. For example, in order to avoid the year of employment in domestic service or in agriculture, which was required in 1938 for all girls under 25, parents frequently aided their daughters in evading the law by advertising, without the approval of the employment office, for white collar work with physicians under the guise of domestic labor.

Improved Industrial Techniques

Emphasis upon the maximum effective utilization of labor coincided with the absorption of available unemployed reserves. For the most part, such efforts were directed towards increasing plant mechanization, promoting plant efficiency, and stabilizing employment.

Rationalization.--After September 1939 greater efforts were made to require the employers to rationalize production by introducing mass production methods. Such methods included standardization of output, machines, and machine tools; relaxation of precision demands; increased introduction of automatic machine and conveyor systems; and increased emphasis upon job dilution, upgrading, and training. Standardization of worker dwellings permitted mass production in building. Standard size glass containers were systematically introduced in the glass industry.

Trade marks were widely abolished on such consumer goods as soap, washing materials, biscuits, corn flakes, and shoes. Small tractors were specially developed for use in small agricultural holdings.

In personnel fields new techniques were developed by the special commissions to determine, in connection with the need for additional upgrading and training, what constituted a sound ratio of skilled to unskilled workers. Such techniques included comparing the number of employed workers with the status of orders and with the rate of labor turnover. As far as possible skilled worker hours were computed and compared with the number of employees, and the nature and requirements of unfinished and future orders were investigated.

Stabilization of employment.--The need to economize in the employment of skilled workers as well as the interest in increasing the continuity of employment in the armament industry were responsible for widespread stabilization of employment. Partial employment in the textile industries was considered uneconomical as early as January 1938, when employers were required to employ only a sufficient number of workers to insure all employees a 40-hour average weekly employment per year. After May 1940 partial employment was not permitted in any industry except as a temporary measure. In 1939 workers in the building industry were formed into a national association of building workers (Arbeitsgemeinschaft der Bauhandwerker) to permit centralized clearance and nation-wide transfer to essential work. This procedure is reported to have greatly reduced labor turnover and increased the continuity of employment in the industry. The practice of dovetailing agricultural and industrial seasonal demands has been recently applied to armament labor needs by utilizing qualified unemployed workers in armament industries during the period of their seasonal unemployment.

New Entrants in the Labor Market

The importance of new entrants in the labor market increased as labor shortages became more widespread. When there were still reserves of unemployed workers attached to essential industries, new entrants in the labor market, aside from the youths who annually entered industry, were limited to foreign migratory agricultural workers and retired skilled metal and construction workers returning to work at the behest of their former employer or in response to improved earning opportunities.

As reserves of labor from essential industries dwindled, more extensive as well as more forceful methods of recruiting new entrants were first adopted in agriculture. During 1936 and 1937 special inducements were used to recruit girls under 25 for a year of employment in agriculture, not only from the unemployed, but also from the leaving-school group and from members of the leisure class. These inducements included the cost of transportation and equipment, and compensation on the basis of need. Compulsory features were first applied in February 1938, when a year of employment in agriculture or domestic

service was required from girls employed or desiring employment in the textile and tobacco industries. Utilization of foreign migratory labor in agriculture likewise increased. Between 1933 and 1937 the number of foreigners employed in Germany during the summer months increased nearly 1,200,000. 27/ Short- and long-term convicts and prisoners under indictment also began to be employed on large estates for soil conservation purposes. During 1937 not only members of the Labor Service, but handicapped students, members of the National Socialist Party, and members of the armed forces were drafted for harvest work.

New recruits including women, convicts, and foreign laborers also began to be used in other industries. During 1936 and 1937 Nazi policy in regard to the employment of women in all fields was reversed because of growing labor shortages. Earlier attempts to restrict women to the sphere of "Küche, Kirche, und Kinder" gave way to measures designed to encourage their employment. Family allowances, granted to wives of members of the fighting forces or of the Labor Service, were restricted to women unable to find employment; and the requirement that women in receipt of marriage loans be unemployed or give up or refuse employment was waived. Collective rules were formulated in the hat and brick industries on the basis of equal pay for women and men. Despite the earlier legislative restrictions, the number of employed women gradually increased and the number unemployed slowly declined in the period between 1933 and 1936. (Charts 6 and 7.) During 1936 and 1937 these trends were slightly more marked as a larger number of women found employment in the clothing, food products, and metal industries, and in retail trade, where women were customarily used. Women and girls were first substituted for men in semiskilled occupations in the metal industry in the spring of 1938. At the same time convicts began to be utilized in many industries--men in quarrying, brick making, road construction, and metal manufacturing, and women in canning--and the first skilled workers from Austria were imported for construction work.

After 1938, when unemployment reserves were virtually exhausted, compulsion was primarily relied upon to obtain the services of persons not previously engaged in German industry. The most extensive results were achieved with women and foreigners utilized on the basis of compulsory service or military powers. Figures on the number of employed women ceased to be published after the outbreak of war, but an index of female employment, based on 1932, which appeared in the Reichsarbeitsblatt, showed a rise from 127 in the

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27/ As compared with 613,600 in 1933, 1,838,000 were employed in 1937.

Chart 6

EMPLOYMENT IN GERMANY, BY SEX

JANUARY 1932 TO JULY 1939

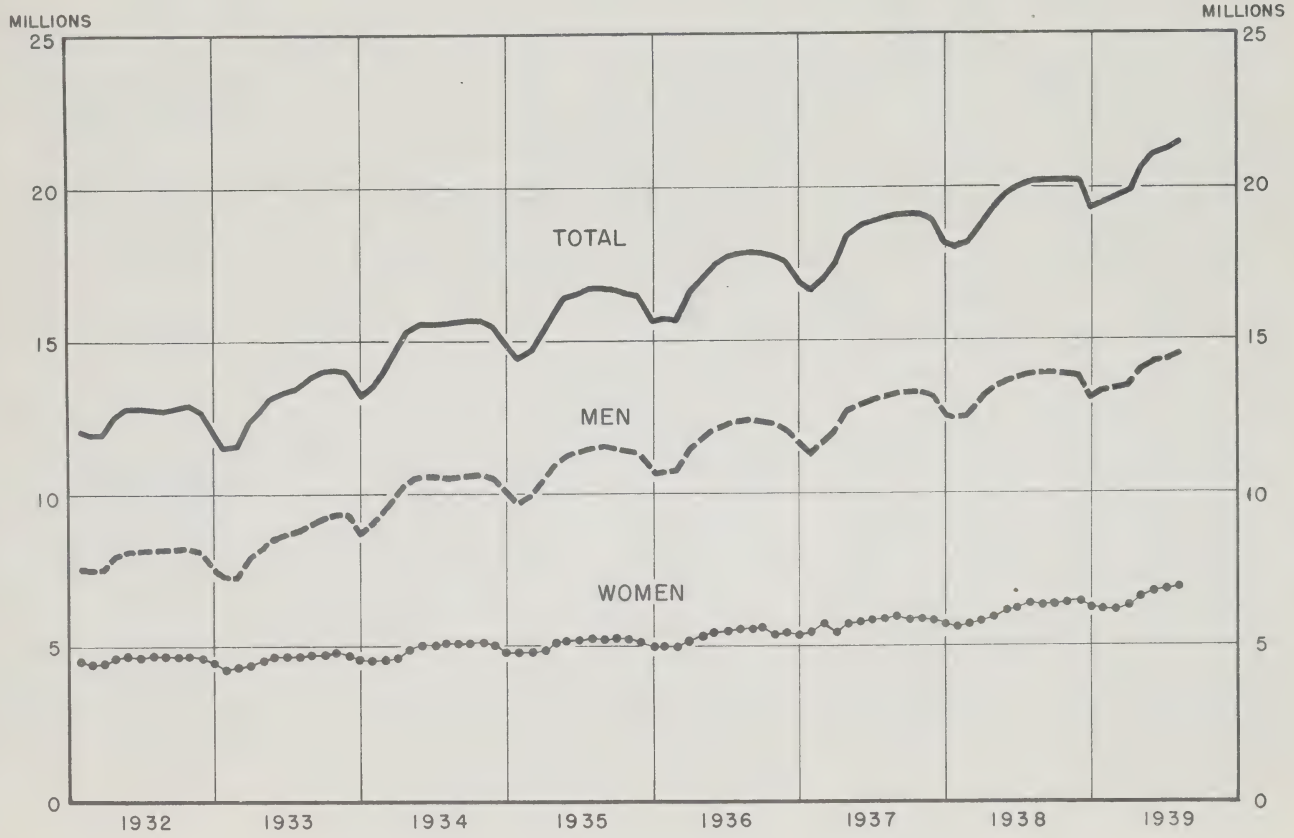
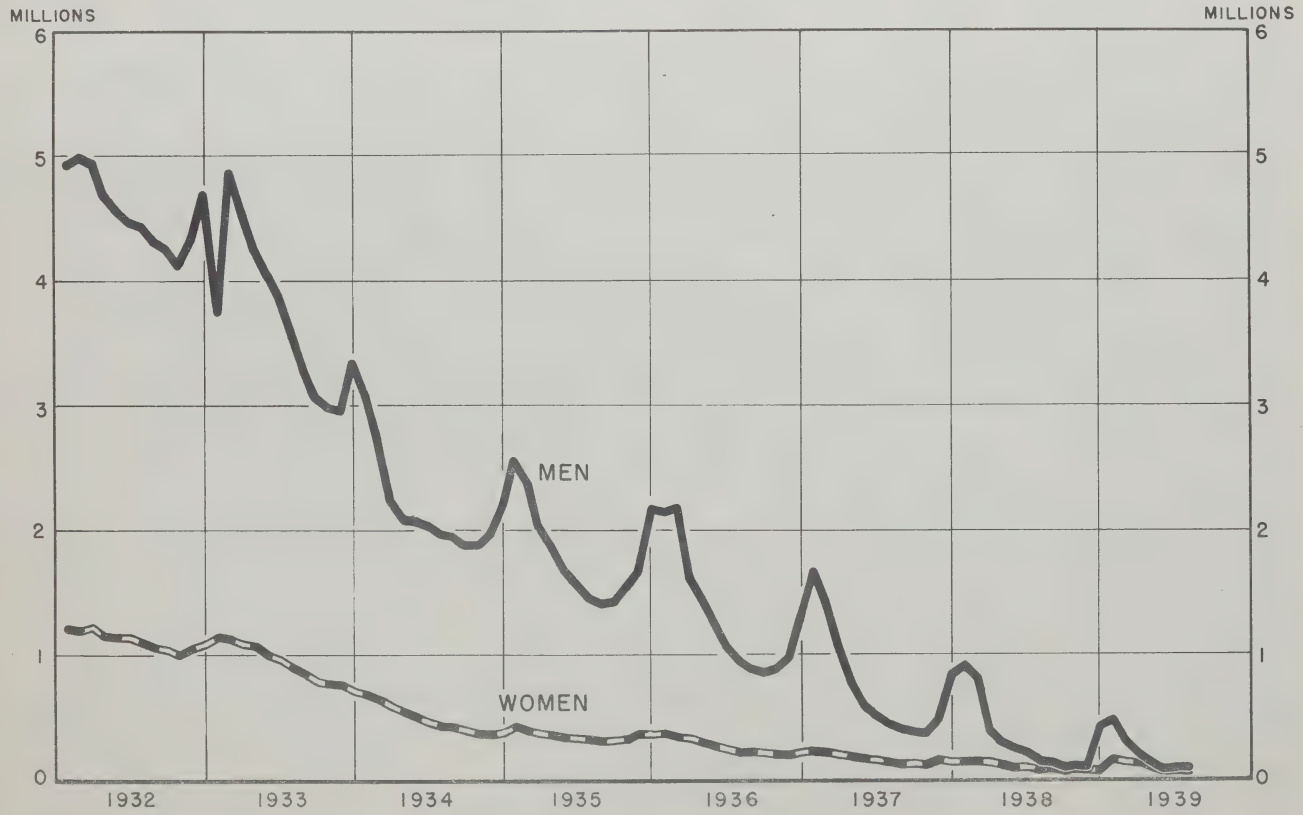


Chart 7

UNEMPLOYMENT IN GERMANY, BY SEX

JANUARY 1932-JULY 1939



middle of 1937 to 154 in the middle of 1940. 28/ On July 5, 1940 the largest proportion of women still continued to be employed in their customary fields of employment, in the consumer goods and service industries, and in agriculture. As compared with July 5, 1939, female employment in the metal trades increased 59 percent, although women still accounted for less than 10 percent of employment in this field. Efforts to increase the employment of women in agriculture were apparently not entirely successful. In midsummer 1940 the proportion of women in the labor force employed in agriculture and forestry was 11.9 percent as compared to 14.3 percent in 1938.

Widespread establishment of communal day nurseries and the introduction of special half-day shifts were designed to facilitate the employment of married women. However, problems appeared. Married women proved themselves qualified and steady workers, but their employment unduly increased overhead labor costs as a result of the additional expense of social insurance, office work, and protective equipment. Difficulties also arose in connection with the techniques of short shifts and the problem of transportation.

In 1940--following agreements with allied countries, the application of compulsory service to occupied territory, and utilization of prisoners of war--foreign labor became an important source of labor reserves. In the fall of 1941 nearly 4 million foreigners, including 2 million war prisoners, were estimated to be employed in Greater Germany. Labor shortage conditions were so acute that special efforts were made to utilize their skills in industrial fields at the risk of lowered output. At the beginning of 1940 95 percent of this group were used in agriculture, as compared with 52 percent in the beginning of 1941. In industrial fields, foreign labor was principally employed in the construction, mining, quarrying, and brick-making industries.

28/ The index of employment of women in Germany proper, from 1934 to 1940, based on 1932, is shown in the following tabulation:

Year	Index number of employed women at end of July
1934	108.8
1935	112.7
1936	118.7
1937	127.2
1938	135.9
1939	149.6
1940	154.0

Scharlau, "Der Arbeitseinsatz der Frauen im Kriege," R. A. B. 1941, V, p. 86.

Other less important new sources of labor include minors, pensioners, and Jews. After September 1939 high school students, 16 years and over, were required to work in agriculture during the summer vacation, and children 10 to 16 years of age were permitted to be employed for light agricultural work. Early in 1939 relatively healthy retired workers were deprived of old age benefits and set to work in special metal workshops at a pace suitable for their advanced years, and Jews were reemployed in road building.

Factors Affecting Recruiting

Analysis of the relationship between labor shortages and labor market policy is not complete without reference to the inter-connection between these factors and the policies respecting prices, wages, hours, and worker safeguards.

Price policy.--Price control antedated the Nazi regime. Cartel industry prices were regulated by curtailing production prior to the advent of Hitler. Progressive extension of price control to all fields of national economy paralleled the widening of labor shortage areas. Government price control in the consumption goods industry, an action which was basic to stabilization of the costs of living, began to be introduced in the summer of 1934, with a price fixing policy designed to bring domestic import prices in close agreement with the world market. Enforced cartelization of unorganized branches of production under government control brought the remaining domestic prices into line.

When bottlenecks of labor and raw materials began to impede the production program in the fall of 1936, more drastic regulations were introduced to control the price situation. Prices could not be increased without a special license from the Price Commission (Preiskommission). Thereafter, price increases, except those needed to compensate rises in the costs of raw materials, were prohibited, and prices were fixed in each industry according to the "moderately good" firm in the trade, instead of the actual cost to the individual firm. Elaborate cost accounting methods were used to prevent price increases from multiplying on the snowball principle as articles passed from the factory to the retail seller.

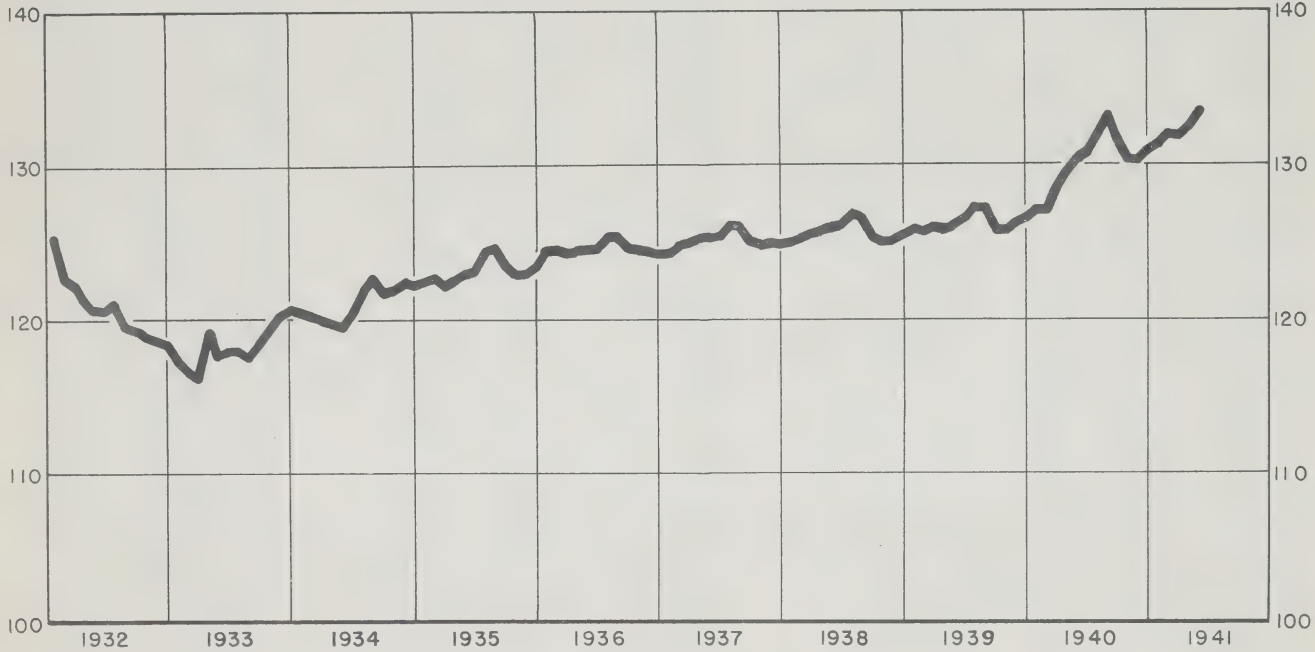
The stabilizing effect of this policy on the cost of living is apparent from Chart 8. Despite extensive price control it is noteworthy, however, that during the period 1933-1940 there has been a gradual but continuous rise in the cost of living, more marked in 1940 than in previous years. This was variously attributed to rationing, consumer preference for higher priced goods, profiteering, and a rise in raw material costs. In 1940 the Price Commissioner authorized price control boards to investigate the question of war profits and reduce unjustified prices. It is possible that the slight decline in the cost of living in the latter half of 1940 may be ascribed to these efforts.

Chart 8

MONTHLY INDEX OF COST OF LIVING IN GERMANY

JANUARY 1932 TO MAY 1941

(AVERAGE - 1913 = 100)



Wage policy.--Government regulation of wages was introduced early in the Nazi regime. After January 1934 the Labor Trustee was authorized to fix minimum wage rates in the collective rules that had replaced trade union agreements. During 1934 and 1935, however, minimum rate regulation failed to prevent increasing employer competition from raising wages. Accordingly, wage control was extended in the fall of 1936 by authorizing the labor trustees under the second Four Year Plan to supervise wages and conditions of employment.

Wage levels, however, continued to rise as shortage conditions developed in an increasing number of occupations and industries. Even the extension in June 1938 of the authority of the Labor Trustee to fix maximum as well as minimum wage rates did not prevent employers from increasing earnings by promoting workers to higher paid jobs, increasing family allowances, or paying housing allowances and social insurance contributions. Accordingly, more drastic controls were introduced in September 1939, by authorizing labor trustee control over working conditions as well as maximum wage rates, and severe penalties were introduced for contravention. Shortly afterwards, in the interest of further stabilization of wage costs, overtime payments for night, Sunday, and holiday work were suspended.

The policy of stable wages was maintained, but the government has made increasing concessions to workers in the form of extra pay above the normal rate in the interest of increasing output. In November 1939 overtime pay was generally permitted for work in excess of 10 hours a day or on holidays, and in the following September all restrictions on overtime pay were removed.

Hour policy.--In 1933 the normal working schedule was an 8-hour day and a 48-hour week. In 1934, when the building and metal industries began to be handicapped by shortages of skilled workers, great flexibility was introduced in the 8-hour law. With a special permit from the local labor inspector the working day could be extended to 10 hours on work of national importance. The 1935-1936 Report of the Prussian Labor Inspectorate notes that in metallurgical, machine-building, and construction industries, the 10-hour day was frequent, but that extensions were limited to occupations where there was a shortage of suitable labor.

In 1938, when reserves of unemployed were approaching exhaustion in the armament industries, the 10-hour day was general. After complete mobilization had further reduced the available labor supply, greater latitude in working schedules was permitted in the interest of increased armament production. After September 1939 all restrictions on normal hours of work for adult men were abolished.

Less than 3 months after this policy was adopted, however, it was generally recognized that unlimited working schedules defeated their purpose. In the interest of avoiding excessive fatigue, extension of

the working day beyond 10 hours, except in connection with alternation of shifts, was forbidden after December 1939. Male workers over 18 were permitted to work 12 hours only if such schedule included regular and considerable periods of waiting for work.

Worker safeguard policy.--Worker safeguards in industry include the right to representation on industrial policy-making bodies, the right to control the job in the form of bargaining with the employer concerning the conditions of work, and the right of appeal in case of infringement of established prerogatives. In addition, worker safeguards include legal protection in the enforcement of standard working conditions.

In general, however, the Nazi regime has not recognized worker rights in industry. By abolishing trade unions shortly after its rise to power, the Nazi government denied the worker the right of collective bargaining. At first, worker representation on policy-making bodies within industry continued to be permitted under the supervision of the Labor Trustee, but after 1934, when worker representatives in the Labor Front were appointed instead of being elected, such representation had little if any meaning.

The right of appeal in case of unjustified termination of the labor contract was recognized in the law of January 20, 1934, which reorganized the labor courts. Workers employed for 1 year in concerns with more than 10 employees had the right to appeal to the labor court against certain employer policies and against unjustified notice of discharge. But this right was soon severely limited when individual claims conflicted with the armament program. In April 1937, salaried workers under 25 years of age, who had been dismissed as a result of the requirement to hire a fixed quota of workers over 40, were informed that appeal to the labor court would be useless if the employment service had officially approved their dismissal. In August 1941, according to the Bergwerks Zeitung as reported in the New York Times, the labor court approved disciplinary measures against a miner because religious scruples and fatigue did not justify his refusal to work on Sundays. 29/ In

29/ Some idea of the extent to which the police power has been invoked under the terms of a labor contract is gained from a report of a news item in News Flashes from Czechoslovakia of May 5, 1941, from the Huttenzeitung, a company paper in the Ruhr. This account does not state whether or not the workers referred to are employed on a compulsory service basis. The company merely voices a general complaint about absenteeism because of long hours and other hardships. In discussing remedies for this situation it is pointed out that if fines, arrest, and imprisonment do not reform repeated offenders, the educational system of special correctional labor camps never fails to achieve the desired purpose.

connection with the obligation to work on a compulsory service basis, there was no provision for appeal machinery other than the right to lodge complaints with the administration of the second Four Year Plan. Actually, the German war economy has tended to restrict, if not to cancel, the right of appeal that remained to the German workers after the dissolution of the trade unions.

It is noteworthy, however, that the scope of legal protection afforded the worker has been broadened to include a minimum of financial security. Compulsory transfer has been accompanied by separation allowances to permit maintenance of a suitable standard of living, special assistance in meeting financial obligations, compensation for loss of social insurance rights, and payments of transportation costs. In addition, the importance of providing suitable working conditions and insuring adequate housing and food to maintain worker health and morale has been increasingly emphasized. Unlimited hour schedules were replaced by a maximum 10-hour day; employers were required to assume additional responsibility for provision in advance of suitable board and lodging for transferred workers; and labor inspectors on special commissions were specifically delegated to enforce model working conditions. To offset food shortages certain categories of munitions workers were supplied with vitamin preparations free of charge.

PART II

G R E A T B R I T A I N

In Great Britain shortages of skilled workers needed for the armament construction and production program virtually coincided with the adoption of the program. These shortages disappeared during the general depression in the summer of 1938 and reappeared in the spring of 1939. During 1940, reserves of unemployed, formerly employed in other industries essential to the development of the program, were depleted. By the spring of 1941, total reserves of unemployed were approaching exhaustion.

Essentially, labor control measures were designed to resolve labor market problems resulting from progressively developing labor scarcity. After war was declared, the employment service was authorized to control hiring in the skilled occupations in the construction industry. In 1940, employment service control of hiring was extended over the entire construction industry and all branches of metal manufacturing except shipbuilding. Compulsory transfer of workers from nonessential to essential industries was authorized but such reallocation was primarily accomplished by negotiation and indirect compulsion. Worker migration from other essential industries was also controlled. In 1941 the employment service was authorized to control hiring, separation, working conditions, and training in industries essential to the development of the armament program and, in addition, the hiring of women in the 20 to 30 age group.

Industrial Conditions

The armament program in Great Britain is considered as dating from the adoption of the first Defence Programme in March 1936 when the unemployed totaled nearly 2,000,000. Local shortages of workers in skilled building and engineering (machinist) trades began to be officially reported a month later. These shortages continued during 1937 and the first part of 1938, and spread to the shipbuilding trades. Increased unemployment during the depression which began in the middle of 1938 obscured the shortage problem because workers were released from other branches of the metal trades for use in the armament program. With improved conditions in the spring of 1939, however, shortages reappeared and became more acute and widespread.

Following the increase in the drive for armament production which took place after the declaration of war in September 1939, competitive defense and nondefense employer bidding for skilled workers in building trades increased. Offers of increased wages and the use of labor scouts increased labor turnover and the general disorganization of the labor market.

By the spring of 1940, further increase in armament production, extensive factory construction, and expansion of the army had nearly exhausted the reserves of skilled and semiskilled metal and building trades workers. In April registered unemployed workers in occupations

in the metal industries,[30] had fallen below 100,000. By July the number of unemployed in the building industry was also below 100,000, and shortages were developing in other essential industries, particularly mining and agriculture. (See Chart 9.) The total number of unemployed had declined to 790,000 in November, when the Ministry of Labour made it known that a million more workers would be needed for the munitions industry by August 1941.

By the spring of 1941, total reserves of unemployed were approaching exhaustion. (See Chart 10.) By October, the total number of unemployed had fallen to 216,000.

Labor Regulations

Prior to the spring of 1940 labor market control measures in Great Britain took two forms: increased centralized direction of labor market policy by the national government, and an attempt to check the increased labor turnover in key skilled trades, thus assuring more effective utilization of the limited supply of workers in these occupations. After September 1939, when war was declared, the Minister of Labour--his title changed to Minister of Labour and National Service--assumed direct administrative control of the national employment system which had been functioning since 1909, and took over the factory inspection powers of the Secretary of State. In this capacity he was authorized to control advertisement for workers and to control their "engagement or reengagement," provided the employers and the workers concerned approved. This measure, however, was applied in April 1940 to key skilled occupations[31] in the building and civil engineering contracting (construction) industry.

When reserves of qualified unemployed metal and building workers were virtually exhausted, the Minister of Labour and National Service was given new powers to enable him to secure additional skilled and semiskilled labor. In May 1940 he was authorized to collect information from employers and workers and to inspect employers' premises. He was also authorized, in the interests of national defense, to regulate engagement of workers by employers and "to direct any person to perform any service that, in his opinion, he was capable of performing." Exclusive control by the employment service of hiring was specifically applied to workers in metal manufacturing and repair (except shipbuilding and ship repairing) and construction industries. In addition, to prevent workers from being attracted to these fields of employment from other essential industries, employers were forbidden to hire workers who were normally employed in agriculture or coal mining. In October

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30/ Defined broadly to include all iron, steel, and nonferrous metal products, machinery, shipbuilding, and other metal industries.

31/ Carpenters, joiners, and bricklayers.

Chart 9-a

UNEMPLOYMENT IN SELECTED INDUSTRIES IN GREAT BRITAIN

JANUARY 1935 TO AUGUST 1940

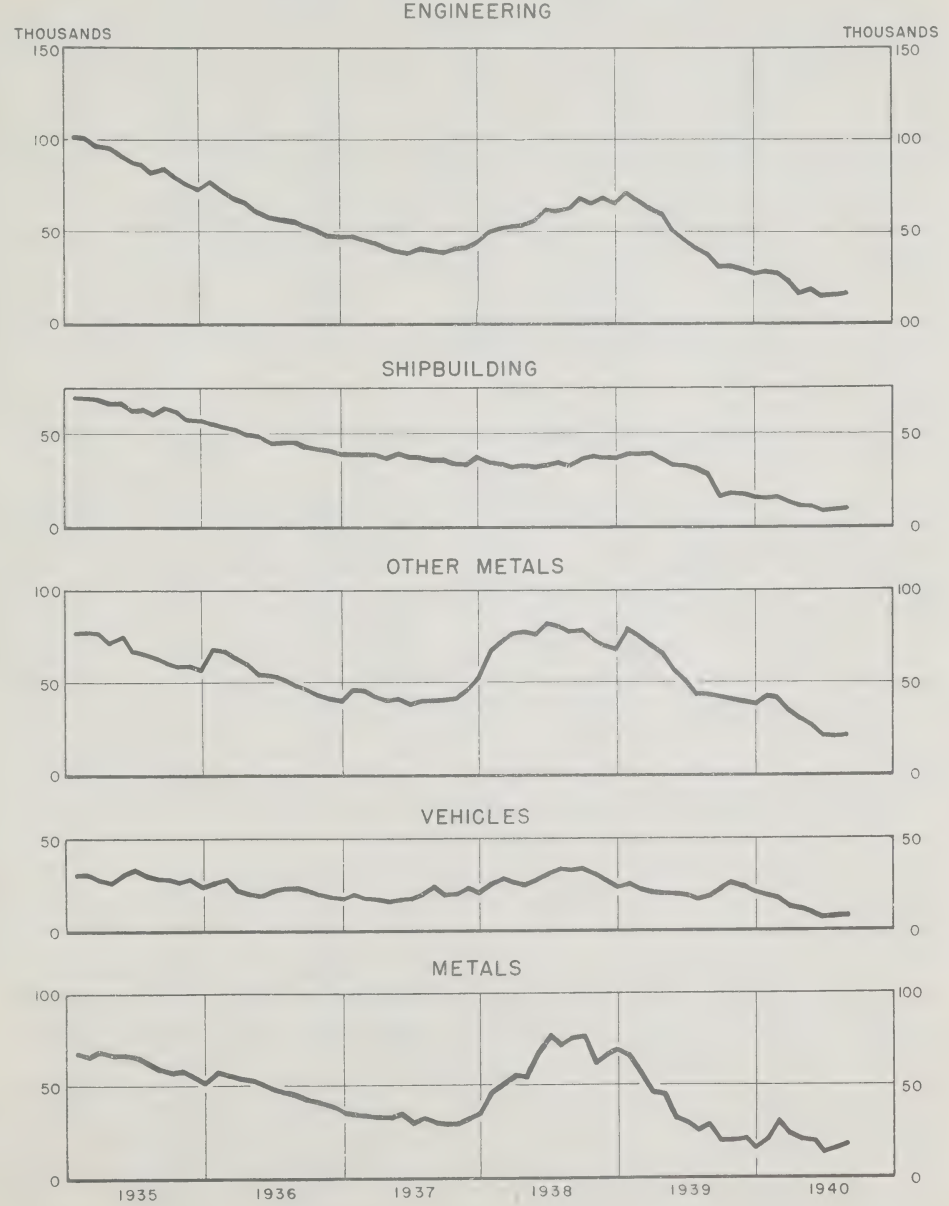


Chart 9-b

UNEMPLOYMENT IN SELECTED INDUSTRIES IN GREAT BRITAIN

JANUARY 1935 TO AUGUST 1940

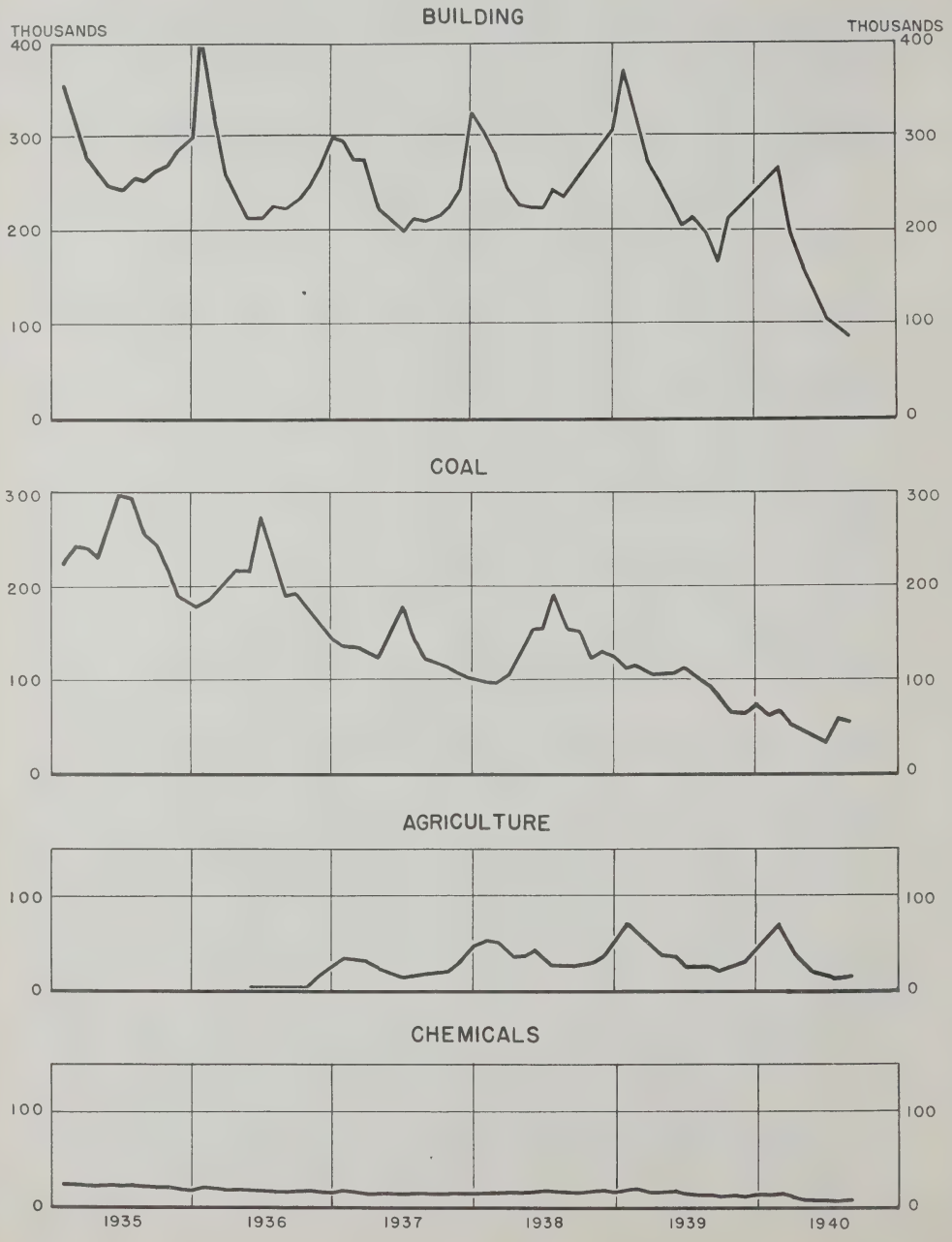
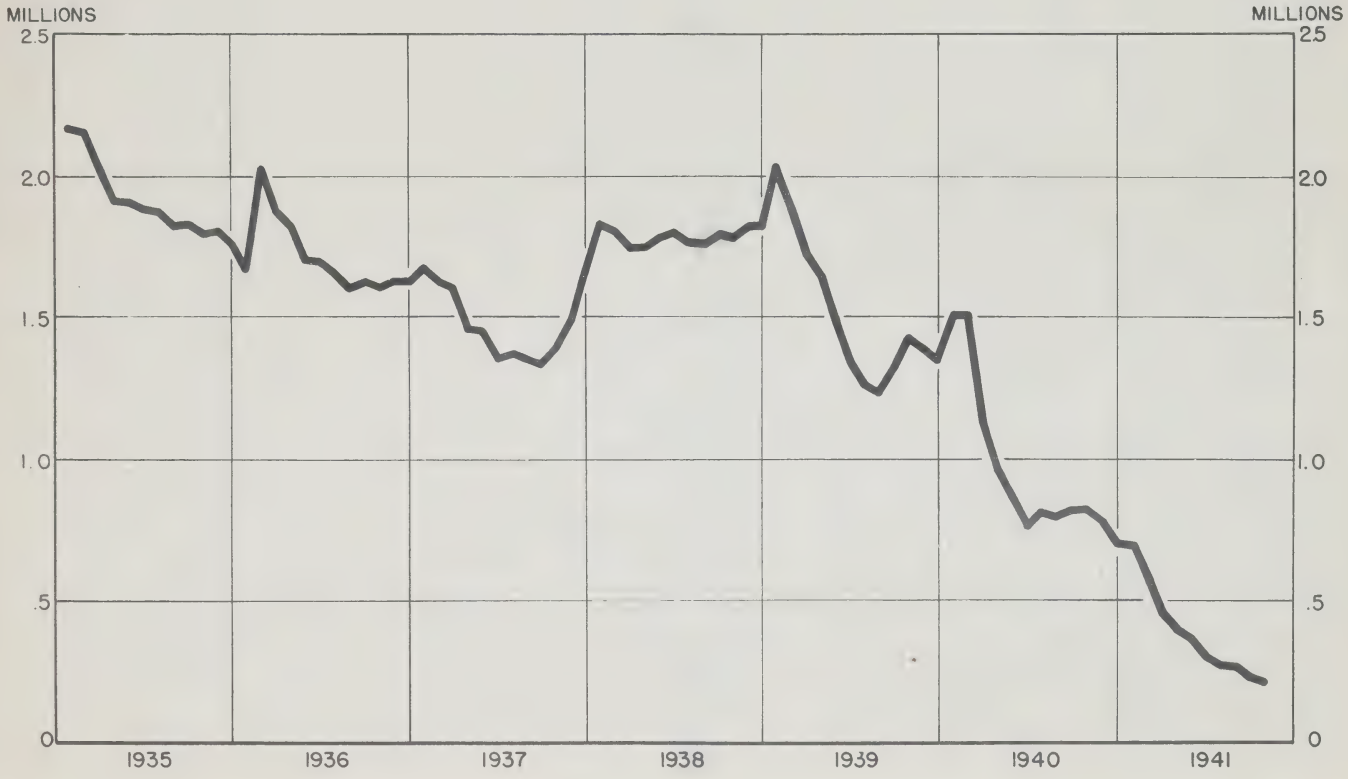


Chart 10

UNEMPLOYMENT IN GREAT BRITAIN

JANUARY 1935-OCTOBER 1941



private building operations[32] were required to have a license from the Office of Public Works.

Transfer from nonessential to essential industries was promoted by modifying the definition of suitable work, the refusal of which disqualified a worker for unemployment insurance benefit. In the new definition of July 1940, work of national importance was no longer considered unsuitable merely because the worker previously had enjoyed better conditions or, after two or more weeks of unemployment, because such work was not in his usual occupation.

Compulsory registration of special groups of employed workers was introduced for the same purpose. In July 1940 all engineers and chemists were required to register at the employment service. In August the same regulation was applied to workers presently or formerly employed in certain skilled and semiskilled metal trades in branches of the metal industry[33] not engaged in armament production, and, in February 1941, to former skilled and semiskilled shipbuilding workers. To facilitate transfer to work of national importance, the Minister of Labour and National Service was authorized to pay transportation costs and traveling allowances, except for commuting.

When the total reserves of unemployed had fallen below 500,000 in the spring of 1941, the need to insure maximum effective utilization of employed workers and to secure additional reserves was recognized. New powers were conferred upon the Minister of Labour and National Service, and employment service control over the labor market was further extended. In March the Minister was authorized to control wages, working conditions, welfare, and training, as well as hiring, separation, and the contract of employment in essential undertakings.[34] In such undertakings, employees were guaranteed a minimum weekly wage based on normal working hours exclusive of overtime and were assured standard conditions of employment and satisfactory transportation arrangements, housing, and food. In these establishments employers were also required to provide adequate training facilities for their workers. The employees could not leave their employment without consent of the employment service. In addition to the general authority contained in the May 1940 law, to direct any person to any employment,

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32/ Estimated at £500 or over.

33/ Except shipbuilding and repair.

34/ The original scheduling of every employee was found to be too rigid, and exceptions were made later for special classes of emporary employees.

employment service officers were now specifically authorized to direct workers in essential industries to suitable employment and handle cases of absenteeism without leave or reasonable excuse, continued tardiness, or failure to comply with lawful and reasonable orders concerning day and night work and a reasonable amount of overtime. Appeal from such decisions was permitted, but the employment service retained the right to make the final decision; the local appeal board could make recommendations only. At the same time compulsory registration for employment on work of national importance was required of all British subjects except persons rendering full-time paid service in the Armed Forces. Transfer to work of national importance was facilitated by the payment of additional "settling-in" grants if workers were transferred from a distance, special allowances to meet such costs as rent, mortgage interest or storage of furniture, and payment of fares for dependents.

Application of compulsory registration and the essential work laws continued during the balance of the year. By the end of October 1941 compulsory registration had been extended to women in the 20 to 28 age group and to men in the 40 to 46 age group; the essential work provision had been applied to the shipbuilding and ship repairing, engineering (machinery), maritime, coal mining, building, and civil engineering (construction), iron and steel, and chemical industries, and to dock labor; and employment service control of hiring had been extended to electrical installation work. Early in November government regulation of labor reserves of women was tightened by authorizing the employment service to control hiring of women in the 20 to 30 age group in all occupations.

THE ADMINISTRATIVE PATTERN

In Great Britain during a period of more than three years, from March 1936 to July 1939, the projected armament plan made little headway as a result of the refusal of the government to undertake production control in the interest of procuring military supplies. With the establishment of a government supply department to direct the procurement and production of army munitions two months before war was declared, the sphere of government control slowly widened over the production and distribution of industrial resources essential to the armament program. In the evolving organizational structure separate government departments handled procurement and production problems for the Army, Navy, and Air Force. Separate government departments were likewise established to deal with single or closely related essential industries. At first direct government control was limited to the field of armament production. As labor reserves were exhausted, however, direct control began to replace supervision by voluntary methods and use of indirect compulsion in the fields of raw material and labor distribution. Allocation of both raw materials and labor began in the building industry, and centralized distribution on the basis of national demand was applied to dock and maritime labor. Nevertheless, on the basis of their relative importance, competing claims for raw materials continued to be classified at the national level, and competing claims for labor continued to be adjusted regionally and locally.

Centralization and coordination of armament policy at the national level was accomplished through a hierarchy of inter-locking committees composed of representatives of government departments. The Prime Minister assumed final responsibility for war policy. In the capacity of chairman of the Production Executive and the national Labour Supply Board, the Minister of Labour and National Service was authorized to coordinate production, labor supply, and training policy. At the regional level the director of the employment office was made chairman of the regional boards, composed of representatives of interested national government departments which were designed to promote maximum utilization of regional resources for armament purposes. Similarly, the local employment office manager became the chairman of local labor supply committees, which, with the aid of their allotted labor supply inspectorate, handled the labor procurement and training problem in each local, controlled, essential industry.

Extensive provision was made for employer and worker participation in the formation of armament policy. National, regional, and local joint advisory committees were established for consultation in regard to production, labor supply, and training programs. Provision was also made for joint employer and worker representation on appeal boards authorized to make recommendations to the employment service concerning worker appeals.

Period 1936-1939

The government attempted to execute the first Defence Programme of March 1936 by the traditional parliamentary process of coordinating committee action. A new Minister for Co-ordination of Defence endeavored to secure the wholehearted cooperation of various branches of the government, employers, and trade unions without disturbing peacetime conditions. This program failed of accomplishment largely as a result of lack of executive powers which would have permitted effective planning and organization of armament production. Employers were opposed to any disturbance of "business as usual" and distrustful of extension of government control of production. Craft unions in key machinist trades did not support the government's foreign policy, and were unwilling to permit job dilution or relax apprenticeship restrictions in order to overcome skilled labor shortages. The slight increase in iron and steel production between 1936 and the spring of 1938, and the decline during the general recession in 1938, as shown in Chart 11, indicate the limited extent of war efforts during this period.

National control of armament production dates from the appointment of a Minister of Supply in July 1939, five years after the first demand was made for such action in the House of Commons. The new Minister was granted broad authority to control raw materials and production of army munitions. Specifically, his powers included the authority to regulate production, distribution, and prices in war production undertakings, and in this connection to require necessary information from employers.

Efforts to control the distribution of armament production resources were confined to an attempt to classify the relative importance of competing claims for scarce raw materials without centralized control. The Ministerial Priority Committee assigned to this function was composed of the Minister for Co-ordination of Defence, the Minister of Supply, the First Lord of the Admiralty, the Secretary of State for War, the Secretary of State for Air, the President of the Board of Trade, the Minister of Labour, and the Financial Secretary of the Treasury. This form of priority organization, however, proved ineffectual because each one of the participating government departments was free to determine the priority of a given raw material.

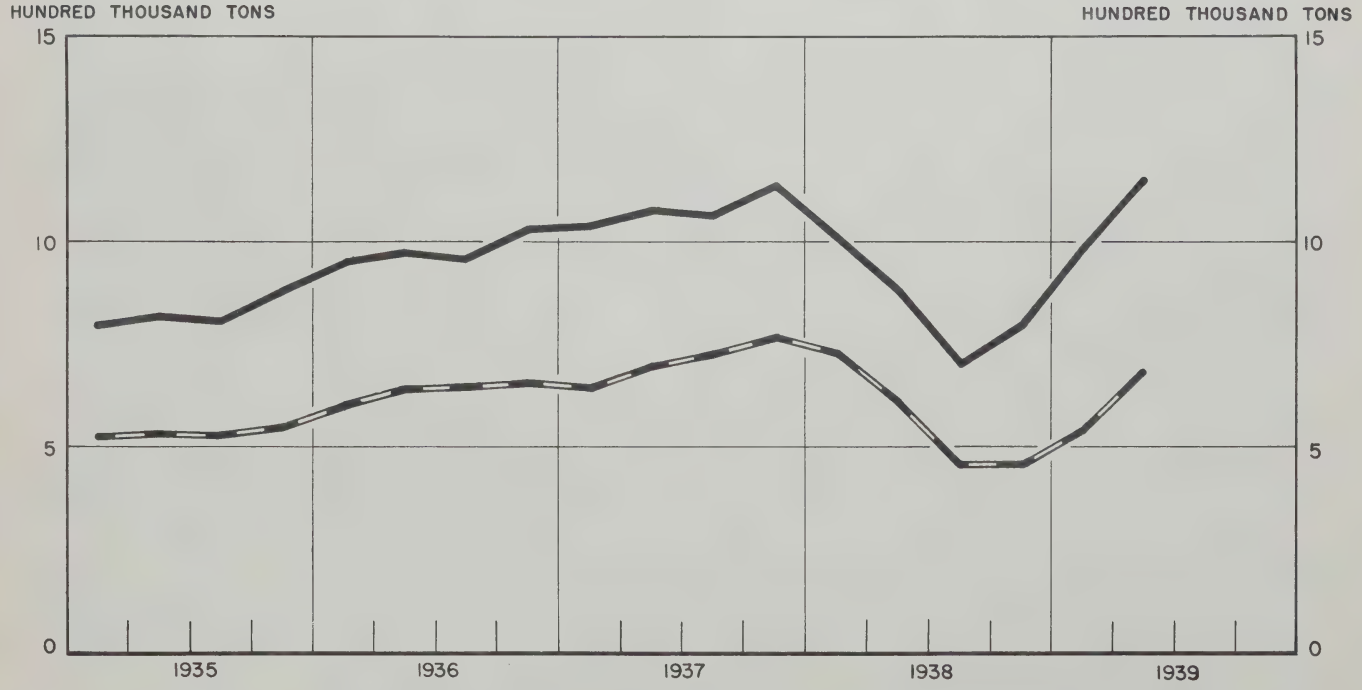
Aside from developments in the field of national control of armament production, however, government agencies were already functioning in a number of labor market fields. The national employment service in the Ministry of Labour, with its divisional (regional)[35]

35/ The division is an administrative subdivision of the national government and, despite its small size, corresponds to the region in the United States.

Chart 11

IRON AND STEEL PRODUCTION IN GREAT BRITAIN, BY QUARTERS

1st. QUARTER, 1935-2nd. QUARTER, 1939



and local offices, was the official public placement system for workers covered by unemployment insurance; national factory inspection laws were enforced by the Board of Trade; and national wage regulation in a number of industries was carried on by trade boards and joint statutory bodies.

Prior to the spring of 1940 there was little development in the national administration of labor market problems except the Minister of Labour's assumption of direct control over the employment service, the enforcement of factory regulations, and the beginning of joint employer and worker participation in the formulation of labor market policy. After the declaration of war the title of the Minister of Labour was changed to that of Minister of Labour and National Service and authority to enforce the Factory Acts was transferred to his ministry. At the same time a National Joint Advisory Council, comprising 15 representatives each from employers and workers, was formed to advise the government on matters of interest to both groups.

Regional development of the national armament administration started in the latter part of 1939. Area supply boards under the Ministry of Supply, designed to increase small firm participation in the program, began to be set up in regions geographically roughly comparable to the employment service divisions.

Developments in 1940

Early in 1940 the urgent need to increase armament production and secure additional reserves of qualified skilled workers was responsible for integration of armament production policy at national and regional levels and more centralized administration of raw material priorities and labor supply. In May the Ministerial Priority Committee was replaced by the Production Council[36] which, concentrating on the production aspects of the armament program, continued to include the Minister of Supply, the First Lord of the Admiralty, the Minister of Aircraft Production, and the Minister of Labour and National Service but did not include the Secretary of State for War, the President of the Board of Trade, or the Financial Secretary of the Treasury, and added the Minister of Agriculture, the Minister of Mines, and the Minister without Portfolio. The title of the body revealed a new emphasis upon eliminating machine tool and skilled labor bottlenecks by spreading government contracts to utilize the resources of the small as well as the large firm. In August a special committee, the Industrial Capacity Committee, was established by the Council to work on this problem. In October a new department of the government, the

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36/ The four subcommittees of the Ministerial Priority Committee, Works and Materials, Man-Power, Transport, and Works and Buildings, continued to function under the Production Council.

Ministry of Works and Buildings, undertook the supervision of building materials and construction industries to prevent material shortages from impeding armament construction.

The administration of raw material priorities was centralized by giving controllers in a Central Priority Department of the Ministry of Supply the exclusive right of issuing priority certificates for strategic raw materials to all consumers including government departments. Nevertheless, efforts to direct the distribution of armament production resources continued to be concentrated upon preferential distribution of industrial resources on the basis of committee decisions. The general direction of production priorities, on which raw material preferentials were based, emanated from policy laid down by the war cabinet. On the basis of this policy, production priorities were determined by the Materials and Production Committee of the Production Council of which priority officers in charge of priority problems in government departments were ex officio members. In the same manner, transport priorities were determined by the Transport Sub-Committee and labor priorities were similarly determined by the Man-Power Committee broadly responsible for making labor available where and when it was needed. The sole effort in the direction of allocating industrial resources was undertaken by the Works and Buildings Sub-Committee which attempted rather unsuccessfully--because as yet compulsion was used as sparingly as possible--to allocate building labor among government departments.

The administration of the labor supply was centralized under the Ministry of Labour and National Service. A national Labour Supply Board composed of the Parliamentary Secretary, four officers of the Ministry of Labour, two industrialists and two worker representatives, and presided over by the Minister of Labour and National Service, became the national policy-making body for placement, transfer, training, and dilution. Three special Labour Supply Departments (A,B,C by priority grades) under the Board were in charge of the regional distribution of production priority information. In addition, three departments of the Ministry handled the national aspects of training, factory inspection, and welfare, and an engineering branch advised other departments and munitions labor supply inspectors. The National Joint Advisory Council, with its membership reduced from 30 to 14, and its name changed to the Joint Consultative Committee, became the official advisory committee on labor supply policy.

Administrative changes on a regional basis integrated previously independent government agencies concerned with the development of armament production, placement, and labor inspection. Area boards, originally set up under the Ministry of Supply, were taken over by the Production Council after August, and made directly responsible to the Industry Capacity Committee. The divisional controller of the divisional employment office was the chairman of each area board and, in this capacity, adjusted difficulties over priorities of contracts,

especially in relation to competing labor demands. Other members of each area board included area officers from the Admiralty, the Ministries of Aircraft Production and Supply, and occasionally a representative of the Board of Trade if the interests of export trade warranted his inclusion. Area officers, individually responsible to their respective departments, were in charge of "progressing" contracts and subcontracts, and of finding new capacity for their particular branch of essential production.[37] Later, in addition to the area officer who represented the entire Munitions Department of the Ministry of Supply on each area board, special "progress" officers were appointed to speed up production of such branches of army munitions supplies as tanks, transport, equipment, and stores.

At first, area boards were advised by 23 permanent advisory committees established in a like number of districts, each composed of an equal number of representatives from employer and trade-union organizations. Later, in the interest of more direct action, three representatives of the industrialists and three of the trade unions became members of each board, and the advisory committees were called together merely for consultation purposes.

A special training section was also set up in each divisional employment office to work with the national Labour Supply Board and correlate the supply and demand for labor with training facilities. Divisional controllers were authorized to cooperate with local school inspectors in initiating and outlining training courses in technical colleges, which remained under the control of the public educational authorities.

Local labor supply committees were also set up in each important munitions area to handle the regional labor procurement problem. These committees, executive bodies under the chairmanship of the local employment exchange manager, were composed of two, and later three, labor supply officers selected for their practical knowledge of industrial conditions, and the local factory inspector and welfare officer.[38] Labor supply inspectors, frequently former union officials, worked under their direction. Special labor supply committees and inspectors were subsequently established for the procurement of shipyard labor. Later, in the interest of speeding up army supplies, labor supply inspectors were assigned the task of procuring labor for special branches of munitions and for tanks, guns,

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[37] A staff of special technical advisers was eventually appointed for each area in connection with the task of finding new capacity.

[38] Each responsible respectively to the Factory Department and Welfare Department of the Ministry of Labour and National Service.

transport, equipment, and stores. Building and dock labor supply inspectorates were also appointed to do similar work but reported directly to their respective Ministries.

The number of frequently competing labor supply inspectors in a community depended on the number of essential industries located therein. Their functions were many and various. They negotiated agreements with unions to transfer workers to other industries; examined employer labor demands in terms of the possibility of redistributing skilled labor, subdividing industrial processes, introducing job dilution and additional training; arranged for the recruitment and placement of trainees in training courses; and investigated infringements of labor control legislation and standard working conditions.

Recommendations of the labor supply committee, based on inspectors' reports, were transmitted to the employer. In case the employer or worker objected to transfer, final decision was rendered by the divisional controller, in conjunction with the area board representative for the industry concerned, based on priority directions issued by the Minister of Labour on the advice of the Labour Supply Board. National service officers were authorized to carry out these recommendations. Assigned to divisional employment offices but directly responsible to the Minister of Labour, these officials were in charge of administrative arrangements for transferring workers from nonessential to essential work.

Developments in 1941

Faced with the approaching exhaustion of unemployed reserves and the continuing need to increase armament production, there was increased channeling and extension of national production controls. The Production Council, where decisions were reached on a coordinating committee basis, was replaced in January 1941 by the Production Executive under the chairmanship of the Minister of Labour and National Service. Membership in this body was limited to cabinet ministers directly concerned with the immediate need for further curtailment of nonessential industry to secure additional labor for war industries. In addition to the chairman, it included the Minister of Supply, the Minister of Aircraft Production, the First Lord of the Admiralty, and the President of the Board of Trade. An Imports Executive, with substantially the same membership,[39] was also established under the chairmanship of the Minister of Supply to control imports and the

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[39] Except for the exclusion of the Minister of Labour and National Service and the addition of the Minister of Food.

production of export goods. Decisions of these two executive bodies were coordinated by the Lord President's Committee, directly under the Prime Minister, of which both the Minister of Labour and the Minister of Supply were members.40/

An attempt to resolve the priority problem by providing for referee decisions on disputed issues led to the appointment, in May, of Lord Beaverbrook as Minister of State in the special capacity of deputy chairman of the supply section of the Defence Committee of the War Cabinet over which the Prime Minister presided, but the experiment was short-lived. At the end of June Lord Beaverbrook became Minister of Supply to expedite the production of tanks and ordnance, and the earlier government policy of dealing with bottlenecks when they arose again became the order of the day.

The government's efforts in the direction of streamlined committee action were subjected to prolonged and acrid attack in Parliament during the following July. Criticisms were leveled at the lack of national planning, the lack of centralized control, the extent to which the various government departments, frequently working at cross purposes, competed for raw materials and labor. Criticism was also directed towards the existence of three separate series of priorities—production, raw materials, and transport--and the lack of any ordered system of labor priorities. A Minister of Production was demanded with power to coordinate the Army, Navy, and Air Force programs, national production capacity, and resources, and with authority to inaugurate a system of articulated priorities applicable to raw materials, labor, and transport facilities, not on the basis of broad categories of production, but on the basis of specific orders. It was suggested that the Production Executive become the central authority with power to direct the area board distribution of national work according to plant capacity and eliminate existing raw material and labor shortages in essential factories by allocating the requisite materials, tools, and labor needed for specific orders.

The Prime Minister rejected parliamentary demands for a Production Minister on the ground that "a superman"with the requisite "Napoleonic qualities" was not available. A number of new developments during the latter part of 1941 indicated a trend in the direction of increased national planning and production control. The sphere of governmental control over industry was widened by the application of the Essential Work Order to more and more essential industries. The

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40/ Other members included the Lord President of the Council, Chairman, Lord Privy Seal, Minister without Portfolio, Chancellor of the Exchequer, and Home Secretary.

first step in the direction of centralized national planning was taken by the formation of a Central Joint Advisory Committee[41] to advise the Production Executive and coordinate regional production problems.

Further centralization of priority administration also increased the direct control of the Production Executive over national production. The Central Priority Department under the Ministry of Supply was replaced by a Central Priority Committee under the Production Executive. The new committee was composed of the principal priority officers of the ministries, under the jurisdiction of the Production Executive, who were now authorized to issue, in addition to the older form of raw material certificates based on the importance of special classes of munitions, emergency production certificates for specific contracts or projects whenever bottlenecks existed in a particular production field.

In addition, raw materials began to be directly allocated for public building, and similar developments were forecast in non-essential fields. In the summer of 1941, steel and timber began to be allocated to the Ministry of Works and Buildings, which now directly controlled all forms of construction except specialized public building, by the Production and Materials Committee of the Production Executive. Another committee[42] of the Production Executive, under the direction of the Ministry of Works and Buildings, received a global allowance of these materials for specialized public building.[43] Other building materials were directly allocated to government departments by the Minister of Works and Buildings, except nonferrous metals which were distributed by the Ministry of Supply. The Board of Trade also assured "nucleus firms", which continued to operate after curtailment of production in a nonessential industry, requisite raw materials in connection with the receipt of government orders.

Centralization of production controls extended to regional levels. Area boards, with their names changed to regional boards, were made directly responsible to the Production Executive and their membership was increased to represent all aspects of regional problems. Their functions, however, remained mainly advisory. In their enlarged sphere of action they advised on production problems and supervised

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41/ Originally composed of 10 employer and 10 worker representatives; later increased to 12 from each group.

42/ In the summer of 1941 the following committees functioned under the Production Executive: Central Priority, Industrial Capacity, Production and Materials, Works and Materials (under the direction of the Ministry of Works and Buildings), and Man-Power.

43/ About one-sixth of the value of the official building program.

regional and local capacity clearing centers for spreading contracts, and developing maximum effective utilization of machine tools and other local resources. The administration of these boards comprised, in addition to the chairman of the Machine Tool Area Committee, three regional representatives of all the competing agencies concerned with the production problem, the Admiralty, the Board of Trade, the Ministry of Supply, the Emergency Repair Organization of the Ministry of Works and Buildings, the Regional Transport Commissioner, and the Raw Materials Department of the Ministry of Supply.

There was no change, but merely an extension and some integration of former regional and local administration of labor procurement. A new labor supply committee with its attached inspectorate was established each time the Essential Work Order was applied to a new industry. By August 1941, additional labor supply committees functioned in the coal mining, iron and steel, and chemical industries, and a special labor inspectorate under the Admiralty was in charge of obtaining maritime labor. The Ministry of Labour, together with the Admiralty and the Ministry of Works and Buildings, assumed joint control of shipyard and building labor, respectively. In the maritime, dock, and building industries, labor began to be allocated on the basis of the national labor market demand. The duties of the national service officers in government controlled essential industries were increased to include the handling of disciplinary measures in connection with absenteeism, persistent lateness, and failure to comply with lawful and reasonable orders concerning day or night work, or a reasonable amount of overtime. Local appeal boards, composed of an employer, worker, and a public representative, were established with the power of making recommendations concerning worker complaints, but the national service officer retained the right of final decision.

Chart 12

LABOR SUPPLY ADMINISTRATION IN GREAT BRITAIN*

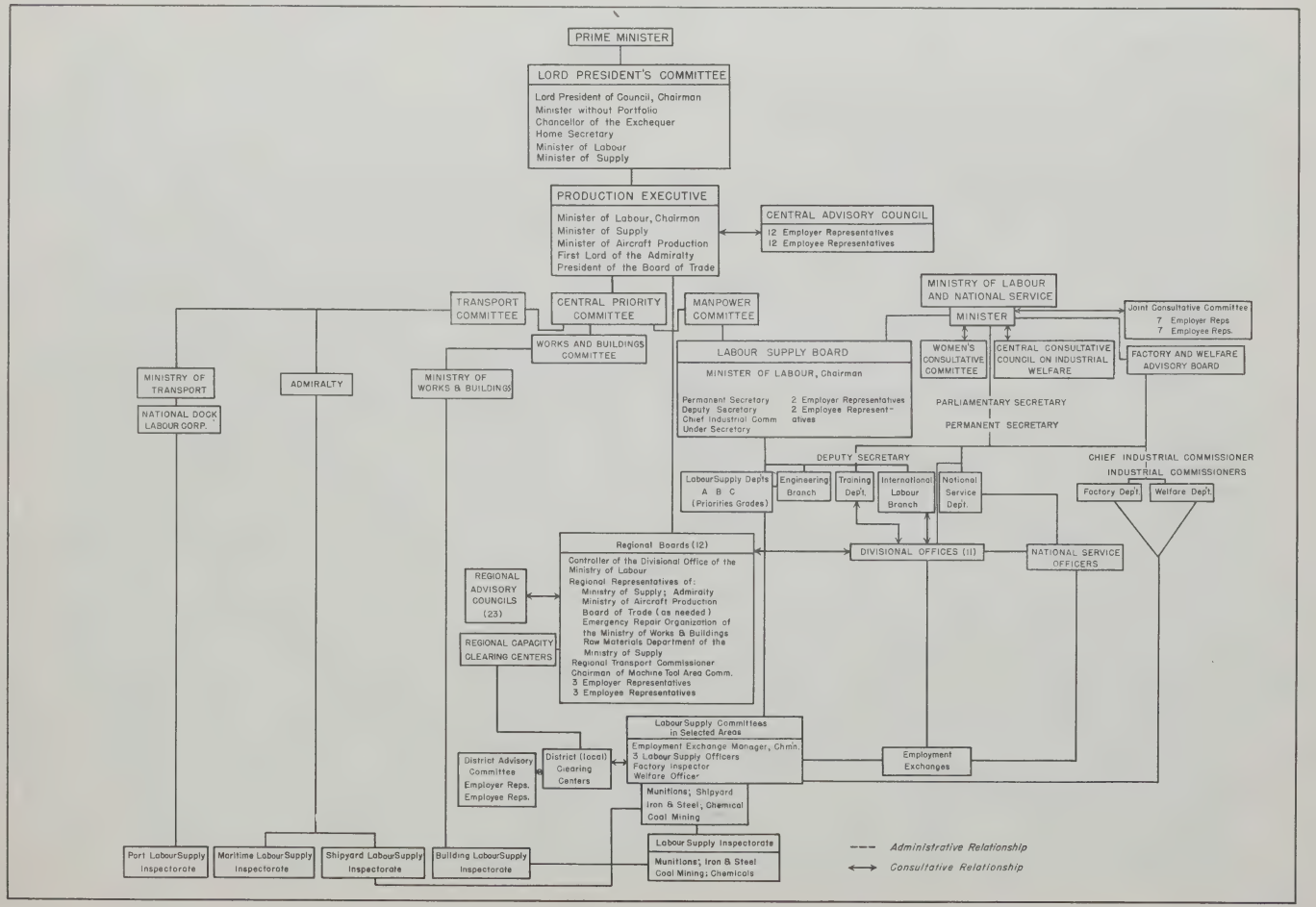

*CHART REPRESENTS ONLY AGENCIES CONCERNED WITH PROBLEMS OF LABOR SUPPLY (AS OF DECEMBER 1941)

RECRUITING PROBLEMS

In the interest of greater effectiveness British techniques for meeting labor demands of war industries were frequently revised. The system of exempting workers from military service—by lowering the age of reservation below which men could be drafted in key occupations—was changed to the more flexible method of individual deferment by review of each worker's indispensability before local boards composed of labor supply and military recruiting officials. Primary emphasis was also placed upon drafting men under 25 years. Absorption of unemployed reserves was promoted by reconditioning unemployables and employing the long-term unemployed on armament construction projects; by correlating the location of plant sites with reserves of unemployed; and by widespread geographic and occupational reallocation of unemployed groups.

Little attention was given to training until after the military reverse at Dunkirk. In 1940 armament training was developed in the public centers originally established for unemployed workers. When reserves of unemployed were approaching exhaustion, primary responsibility for training was placed upon the employer, and public training centers concentrated upon the advanced training needed to upgrade employed workers.

As labor reserves dwindled, the direct use of compulsion to effect transfer from nonessential to essential employment slowly replaced reliance upon voluntary appeal, the negotiation of transfer agreements with trade unions, and the curtailment of nonessential industry. After 1941 increasing emphasis upon compulsory transfer was accompanied by provision for financial aid and appeal machinery in order to meet additional expenses and to adjust complaints connected with moving to a new job. Voluntary negotiatory techniques were used to introduce direct government control in essential industries and to conscript the services of British nationals not previously attached to the labor market. In essential industries employment service control over hiring and separation was applied on an individual industry basis; in nonessential industries control of hiring was limited to women in the 20 to 30 age group.

After unemployed reserves were exhausted, job dilution in essential industries, designed to increase the use of lesser skilled workers, ceased to be limited by the craft lines of trade union organizations and became industry-wide in scope. Employment was widely stabilized in essential industries, and women became the chief source of new labor.

In armament industries wage rates, determined by collective bargaining increased disproportionately despite the imposition of a 100 percent profits tax, introduction of employment service control of hiring and stabilization of the cost of living.

Consequently, there was increasing pressure for general price control, including the price of labor, to ward off inflation and to insure the effective flow of labor into war industry. After the failure of attempts to increase war production by unlimited extension of working schedules following the outbreak of war, the British recognized the importance, in order to maintain increasing production levels, of reasonable hours, satisfactory working and living conditions, and worker participation in labor market policy.

Safeguarding Labor Reserves

Registration for military service in Great Britain was handled in regional and local recruiting offices under the Ministry of Labour and National Service. At first these offices used a system of reserved occupations to determine exemption of workers from military service. Men in occupations considered essential for national defense were exempted by lowering the age in these occupations, below which men could be drafted, to as low as 18 years, and by constantly revising reservation ages on the basis of changes in industrial demand.

When total unemployed reserves were approaching exhaustion in 1941, it became necessary to utilize workers previously employed in utterly dissimilar occupations for training and placement in armament industries. As a result, the safeguarding system was revised to distinguish between a man's usual occupation and the work on which he was actually engaged. Under the new scheme, instead of maintaining a single age of reservation, two ages were fixed for many occupations: a lower age for a man engaged in work protected because of its national importance, and a higher age for a man engaged on unprotected work. Thus, men between the two ages were reserved if they were on protected work, but were available for military service if engaged on unprotected work. A register of protected work was compiled in this connection.

Another modification designed to introduce blanket protection for essential factories was the protected establishment register. This register did not automatically reserve all the men in any factory, but gave them the benefit of a lower age of reservation.

At the end of 1941 block reservation for military service, on the basis of employment in an essential firm, was given up in favor of individual deferments under which each individual case came up for review. The age of reservation was raised by one-year steps in reserved occupations, and dereserved men, on the ground of indispensability, were required to make individual application for deferment before local manpower boards. These boards were composed of a labor supply committee representative who was, generally, chairman of the committee, the local employment service manager, the military recruiting officer in charge of the local military recruiting office, a deferment officer, and a womanpower officer. Applications for deferment on the ground of indispensability were filled out by employers. Deferment was canceled for all men under 25 years except those employed in key shortage occupations.

Absorption of the Unemployed

From 1936 to 1940, when shortages were limited to key skilled occupations, no special attempts were made to utilize unemployed from other occupations in the armament program, or to recondition the "hard core" for permanent reemployment. But when reserves of unemployed workers from essential occupations were approaching exhaustion, the need to utilize all available manpower led to increased efforts in this direction.

In the summer of 1940, the employability of the totally unemployed was reviewed by industry panels of employers and workers established by local employment offices. By January 1941, out of a total of 151,700 men interviewed by industry panels, 116,000 were considered employable after a period of reconditioning and trial employment. Special arrangements were also made to place unemployed workers from related occupations in printing, woodworking, building, and other nonessential metal industries in skilled metal trades occupations in munition factories. A worker unemployed for a fortnight ceased to be eligible for benefit after refusal of work not in his usual occupation. Attempts were made to locate armament industries where large reserves of unemployed were concentrated, for the most part in the northwest of England. Workers unemployed for 2, 3, 8, and even 10 years, and from many different occupations, were used in this area to construct vast shell-loading factories. As far as possible, the new factories drew upon local unemployed whose ranks were swelled during the latter part of the year by workers--largely women--from curtailed consumer goods industries and by evacuees. There was also widespread geographic and occupational reallocation of unemployed groups. Between September and November 1940 over 6,300 unemployed miners from Durham County were placed in industries other than coal mining and nearly 1,400 were accepted for retraining for essential metal trades occupations. Unemployed workers from Scotland and even Northern Ireland were placed in essential employment in England. Between May and November 1940 the number of men unemployed for a year or more dropped from 104,900 to 54,000.

Although unemployed reserves ceased to be important in 1941, efforts continued to be made to recondition individuals for useful work. Industry panels of employers and workers continued to review the employability of the long-term unemployed. Minor unemployment problems among special classes of workers resulted from extensive curtailment of consumer goods industries. For instance, in the Lancashire cotton mills, where more than half of the women were married, geographical limits on the area of their employment were responsible for considerable unemployment among women weavers.

Training

Prior to the armament program the British system of vocational training was closely linked with general education. Full-time junior technical schools and trade schools prepared graduates from elementary school for skilled employment in many fields, and technical colleges furnished advanced vocational training. Attendance at part-time continuation courses for general education was compulsory for young persons leaving school between the ages of 14 and 18 years. In addition, some 18 government training centers were established in depressed areas to provide general practical training for unemployed workers. Courses were normally 6 months long, and trainees ineligible for unemployment benefits received allowances on the basis of need.

Expansion of the training program was delayed until reserves of unemployed workers in essential industry occupations were virtually exhausted. Despite the appearance of skilled worker shortages in 1936, government training centers were not reorganized to meet armament training needs until 1939. They were not opened to the employed until the spring of 1940. In March of that year, training courses were revised to concentrate on the training of semiskilled workers in the metal trades, and the area of recruitment was extended from depressed areas to the whole country. In order to increase attendance from 20,000 to 40,000, the age of admission was raised to include men over 45.

Public training was further extended during the summer and fall of 1940. The number of government training centers was increased to 40; the 6 months training period was shortened to a period of 3 to 5 months; and at first a double, and later a triple shift system was installed. Enrollment was open to the employed as well as the unemployed; allowances for unemployed workers, ineligible for benefits, ceased to be based on need; and supplemental payments for dependents were made to all trainees away from home. Shorter courses, generally 8 weeks long, were opened in 150 technical colleges for training inexperienced workers and upgrading purposes. Maintenance allowances and daily traveling expenses were paid to all trainees. As a result of these developments the Ministry of Labour stated in October 1940 that it would not be long before government training centers would be graduating from 250,000 to 300,000 trainees a year.

The government likewise encouraged the extension of employer training and upgrading among metal trades employers not fully engaged in war work. Financial assistance was provided to cover the salaries of instructors and the cost of equipment for employers who undertook to train workers for other than their own use. The government reserved the right to determine and to inspect the number of trainees and the type of training and length of the course. Trainees received government allowances instead of wages. Employer training for his own use was, however, encouraged in the construction industry. In July 1940, letters

were sent to 9,000 leading building contractors by the Admiralty, the Minister of Supply, and the Minister of Aircraft Production, urging their assistance in this work.

Adequate provision for employer training for their own use in essential industries became compulsory early in 1941 when reserves of unemployed were approaching exhaustion. The necessity to use increasing numbers of inexperienced workers and to employ new entrants in the labor market, for the most part women, focused attention upon the fact that training on the job, despite adverse repercussions on armament output, was the most effective method of inducting these workers into industry. The close relationship between training, upgrading, and job dilution, and the growing pressure to achieve maximum effective utilization of each skilled worker, finally outweighed any previous fears that training programs in essential industries would materially hamper output.[44]

During 1941 there was greater emphasis upon raising the level of worker skills and supervisory ability, and increasing the effectiveness of public training. Government training centers and technical colleges opened advanced public training courses for employed workers in the machinist trades, during which the worker remained on the employer's pay roll and afterwards returned to his employer. Evening lectures on foremanship were also opened in a number of industrial areas. Wages began to be paid during public training to increase attendance and to prepare the trainee for immediate transfer to production work. After July 1941, trainees 19 years and over attending public training courses in the machinist trades were paid wages instead of allowances.[45]

Compulsory Labor Controls

Despite established employer and trade union prerogatives, progressive extension of all forms of labor market controls slowly accompanied widening areas of labor scarcity.

44/ Before the government permitted in-service training in essential concerns armament employers were circumventing the law by establishing initial production departments where the work of trainees was passed on and finished at a machine a few yards away.

45/ Wage rates were based on age groups and sex and increased after successive proficiency tests were passed. Basic weekly wage rates as shown below were especially attractive for 21-year old girls and 19-year old boys:

Age Groups	Boys	Girls
21 and over	60s 6d	38s -
20	39s 6d	36s 6d
19	34s 6d	35s -

Transfer.--Late in 1939 and early in 1940, when shortages of unemployed skilled workers were becoming acute in metal and building trades, employed workers from the same or closely related trades in nonessential industries began transferring to essential work. At this time, however, transfer was either indirectly promoted by the curtailment of nonessential work or effected purely on a voluntary basis. In September 1939 postponement of the housing program, which included slum clearance in England and Wales, released building workers for armament construction. In October an agreement between employers and unions in the dock industry established a voluntary intra-industry transfer scheme. Men selected from lists of volunteers were transferred from port to port through the machinery of the employment exchanges under the direction of the local port joint committee, with their expenses, including traveling allowances, paid by the government. In the spring of 1940 the Minister of Aircraft Production exhorted auto mechanics in garages to come forward to work on airplanes, and Mr. Bevin called upon skilled workers to volunteer for war jobs.

The need to increase armament production, despite the exhausted supply of qualified skilled metal and building trades workers, was responsible for Section 58a of Defence (General) Regulations of May 22, 1940. Under the Emergency Powers (Defence) Act of 1939, this regulation authorized the Minister of Labour and National Service "to direct any person to perform any service that in his opinion he was capable of performing," provided the Minister had regard for the usual wage rates and conditions of service in the district.[46]

Although armed with compulsory powers, the Minister of Labour continued to advocate and make arrangements for voluntary transfer and indirect compulsion. Up to the end of July negotiations with printing trade unions resulted in the transfer of nearly 1,600 printing operatives to munitions work. In June, and again in November, the Board of Trade restricted the sales of such consumer goods as clothing, household goods, office equipment, musical instruments, ornaments, textiles, toilet articles, and toys, an act which resulted in the release of workers from a variety of occupations: textile operatives, shop assistants, artists, pawnbrokers, barristers, and directors.

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[46] As determined by union agreements or by the decision of the Joint Industrial Council of the Conciliation Board, the Arbitration Tribunal, or the prevailing practice in that employment among good employers.

In general, local labor supply inspectors, frequently former union officials, were instructed to proceed by agreement[47] and not to use their compulsory powers unless absolutely necessary. At the same time transfer resulting from the administrative process of combing out industry, under the direction of the labor supply committee, was facilitated by a number of measures. Workers in skilled metal trades occupations where shortages existed, and not already engaged in government work, were required to register; the government began to pay traveling expenses to the new job,[48] and "suitable work" in the unemployment insurance system was redefined to disqualify workers for benefits if work of national importance was refused merely because the worker had previously enjoyed better working conditions.

Despite the emphasis on voluntary methods, however, problems apparently arose as a result of differences in wage rates and working conditions in the same occupation, and failure to use transferred workers to the best advantage. To remedy these defects in the machinist trades, the management was required to keep lists of highly skilled personnel and restore them to their former occupations. Administrative pressure by employment office officials apparently also aroused worker resentment. In a speech in September 1940, before the Works Management Association, the Minister of Labour and National Service acknowledged the necessity of and generous response to transfer, but admitted that it was "irksome" to the workers and often involved financial loss. Better arrangements, he claimed, should remove irritation; already resentment, which had hindered operation, had disappeared.

During 1940 open resort to compulsion was confined to the relatively simple problem of intra-industry transfer. In June the voluntary transfer system in the dock industry became compulsory. Port labor inspectors in four regions supervised and controlled the scheme in which employers were also required to participate.

When unemployed reserves were virtually exhausted and there was general resort to compulsory transfer under the Essential Work Order and Registration for Employment Order of March 1941, the need to mitigate transfer hardships was recognized. With the appearance of

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47/ In this connection the General Council of the Trade Union Congress worked out a uniform procedure for interunion transfer which involved interunion recognition of trade union cards and continuation by the original union of the services and benefits of the transferred member. On his part, the transferred member was bound to abide by the agreements and terms negotiated by the second union.

48/ Employers were required to finance return to the original place of employment.

this order, financial aid to transferred workers was extended to include not only free transportation costs, but long-term liabilities such as rent, mortgages, etc., fares for dependents and "settling-in" grants to meet the cost of transferring from a distance. Workers were also assured reinstatement in their former occupations after the war under arrangements similar to those applying to persons drafted for military service.

During 1941 voluntary methods and indirect compulsion continued to be used to effect transfer to essential work. There was increasing emphasis upon return to the usual occupation. In connection with compulsory registration requirements, workers previously employed in the shipbuilding, maritime, and coal mining industries were urged to register for return to their former occupation. As a result of these efforts approximately 50,000 workers voluntarily returned to their former occupations in the shipbuilding industry.

Curtailment of nonessential industries was continued on a more extended scale, not by curtailing consumption, but by closing down and concentrating consumer goods manufacturing. In the spring of 1941, employers in the boot and shoe, clothing, hosiery, jewelry, pottery, textile, toilet goods, and toy industries were required by the government to submit curtailment plans in order that workers might be released for essential work. The selection of factories to be closed down depended upon the proximity of munitions factories, the amount of training required by the released labor, and the possibility of utilizing plant facilities for essential production or storage of food and munitions. Efforts were made to release adaptable labor and transfer the less adaptable groups to the "nucleus firms" that remained in operation in each industry. Released workers were not required to obtain their next job through the employment service. Nevertheless, between March and July 1941, 110,000 workers were transferred to essential industries and about 16,500,000 square feet of factory space were placed at the disposal of the government. Similar action was started in retail trade to utilize about one-half million persons of the estimated 2,000,000 employed in this field.

Compulsory service.--Although empowered to apply compulsory transfer in its broader form of compulsory service or labor conscription, the government, at the risk of delay in applying the law, employed negotiation for its introduction. The Essential Work Order authorized the Minister of Labour to "schedule" any undertaking engaged in work essential for national defense and the employees thereof, under the control of the national service officer, could be forced to remain indefinitely at their present job or transferred at will to another. Nevertheless, in each of the eight essential industries in which it was applied the government preceded scheduling of each undertaking by negotiations with employers and trade union officials on minimum wage and working conditions. This process apparently materially delayed the

application of the order to many important firms. Trade union opposition, however, did not permanently obstruct application of the law. Rejection by a large majority of the members of the Glasgow dock workers' union of the essential work plan in the dock industry, did not prevent the government from putting the plan into operation.

A similar approach to labor conscription was adopted by the order of March 15, 1941, requiring registration for employment of British nationals by age groups. Instructions issued for the first registration of young women, stated that women in paid full-time employment would not be required to transfer and that the first title to employment was to be given to unemployed and unoccupied women. It was immaterial whether the employment was in essential or nonessential industry.49/ Moreover, it was stressed that under the interview method the registrant's own choice of work would be taken into consideration. The poor results obtained by these methods--only 25 percent of the 196,000 women interviewed up to the end of June 1941 had proved available for transfer on this basis--led to a consideration of more drastic action for the future, which would involve a more concise definition of essential work, and rescrutiny of the registered group.

Other compulsory labor controls.--The area of labor control in Great Britain was limited, by and large, to vital essential industries and the labor supply problem was primarily approached from the viewpoint of specific industry needs. The only exception related to the extension of control of hiring to related industry groups comprising a number of distinct industries. For example, the employment service was authorized to control hiring in the metal industries, comprising the manufacture of iron and steel, nonferrous metals, machine tools, foundry and forging operations, and hiring in electrical installation. The employment service was able to utilize knowledge of related occupations within each of these industries and to direct the flow of employment from nonessential to essential work.

Otherwise, in the construction industry (comprising building, civil engineering, and contracting), and in the coal mining, chemical, shipbuilding and repairing, and maritime industries, and in connection with dock labor, control of hiring was confined to directing intra-industry flow of employment on essential work.50/ In other words, as

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49/ To encourage voluntary transfer of registrants to essential work, however, the Ministry of Labour and National Service arranged summer excursions to aircraft shops.

50/ In some industries, notably shipbuilding and coal mining, the entire industry was engaged in essential work; in others, notably chemicals, only a part, albeit the major part, was classified as essential.

the reserves of unemployed labor were exhausted emphasis shifted to freezing workers engaged on essential work in their jobs and filling vacancies from workers forced out of employment by curtailment of production in nonessential fields.

To permit essential labor requirements to be filled by workers from related occupations, provision was made late in 1941 for joint labor control in the maritime and shipbuilding industries and for joint cooperation of the labor supply inspectorate in the construction industry with inspectorates in charge of procuring labor for the munitions, iron and steel, coal mining, and chemical industries.

No attempt was made to control hiring in nonessential fields of employment to force workers from curtailed consumer goods industries to seek essential work. Compulsory registration of nationals and the subjection of all British subjects to the compulsory transfer powers exercised by the Ministry of Labour, gave the government authority to transfer any person at will, but workers in curtailed industries were not forced to obtain their next job through the employment service. As a result, many of the younger and more mobile displaced cotton textile workers were absorbed in other nonessential fields of employment. To remedy this situation, the government extended employment service control of hiring to all women in the 20 to 30 age group who had already been required to register for employment on essential work.

The same approach was used in connection with the early attempt to control employer advertisements for carpenters, joiners, and bricklayers in the construction industry. Only employers engaged on essential projects were forbidden to advertise. Recruiting activities of nonessential employers were not restricted.

It is also noteworthy that employment service control of hiring was extended over all forms of separation on essential work and not limited to voluntary quitting. Blanket control of separation was also applied when employers were prohibited to engage or reengage workers employed in agriculture or coal mining.

Improved Industrial Techniques

In the early stages of the armament program, the introduction of improved techniques in industry was primarily confined to efforts to economize in the use of skilled workers by breaking down jobs and thus permitting a more extensive use of semiskilled and unskilled labor. Prior to the virtual exhaustion of unemployed reserves in 1941, job dilution was accomplished by a collective bargaining process that frequently involved prolonged negotiation between employers and union local representatives, a process often accompanied by endless discussions in local union meetings. Skilled workers in the metal trades were loath to relax apprenticeship restrictions and surrender

job monopolies. Negotiations begun in 1938 between trade unions and employers in the engineering (machinery) industry were not concluded in any union until May 1939, shortly before the outbreak of war.

During 1940, as reserves of skilled workers were depleted, dilution agreements were negotiated in both essential and nonessential industries. These agreements permitted semiskilled and inexperienced workers to be employed on essential work formerly reserved for skilled workers and in most cases allowed women to be substituted for men on both essential and nonessential work.[51] Progress in the direction of general job break-down in essential industries, however, was slow because of union desire to retain craft privileges. The bargaining approach to the problem of job break-down was not satisfactory on another count. Maximum dilution required not only a free hand in the introduction of mechanized techniques but also demanded a system of grading workers in allied occupational groups on the basis of qualification and skill regardless of union lines of demarcation.

Virtual exhaustion of unemployed reserves increased the pressure to extend, standardize, and hasten the introduction of more effective utilization of skills. The Essential Work Order, passed in March 1941, compelled employers engaged on essential work to carry out the recommendations of labor supply committees regarding the subdivision of processes and upgrading and training of workers. Application of this order within the essential industry field, however, was considerably delayed by adherence to the bargaining approach of preceding the introduction of government control in each essential concern by negotiating minimum wage rates and other working conditions with the employer and the union.

Under the impetus of vanishing reserves, more effective use of the available labor supply was achieved by the introduction of two other types of improved industrial techniques: stabilization of employment on an industry basis and standardization of materials. Efforts to stabilize employment date from the need to achieve maximum utilization of manpower in the construction industry. Early in 1940 employment in the building industry was stabilized by national registration of available reserves, centralized clearance in special clearing houses, and a minimum guarantee of 30 hours of employment a week.

51/ In the shipbuilding and repairing industry dilution agreements provided only for increased use of less skilled men. In the dilution agreements for the boot and shoe, cinematograph, chemical, electrical, electric power, engineering (machinery), foundry, and stone and concrete industries, women, as well as men of lesser skills, could be employed on work formerly reserved for skilled workers.

Government guarantee of a minimum wage in controlled essential industries prompted increasing efforts in this direction. Application of the Essential Work Order to a new industry was accompanied in each case by the introduction of a stabilization plan suited to the unemployment problem peculiar to the industry concerned. In shipbuilding, district shipyard controllers, responsible to the Admiralty, assisted by three executives, representing naval and merchant shipbuilding and labor, were responsible for the even flow of work to avoid idle time and interdistrict transfer. In coal mining efficient utilization of workers was achieved by concentration of production in mines with relatively high outputs. In construction there was increased use of a "mobile squad" of building workers available for work in any part of the country, and the Ministry of Works and Buildings allotted to each government department a labor force on the basis of the state of total reserves of building workers. In the maritime industry, continuity of employment under the control of the Admiralty was promoted by longer leave with pay, and payment of wages during the periods of waiting for an appointment to a ship. The seaman who was not reengaged by his former employer at the end of the voyage passed automatically into a merchant-navy reserve pool controlled by the Shipping Federation, from which he was required to accept employment or training as directed. In the dock industry, dockers employed as permanent employees of the Ministry of Transport were guaranteed a minimum of 11 weekly turns (ship turn-arounds) at full pay or, in the absence of full-time work, a flat hourly rate for the prescribed period. The National Dock Labour Corporation Ltd., composed of employers in the industry, was formed to direct and finance, with the help of government, intra-industry transfers.[52] Finally, in connection with the curtailment of nonessential industries, government policy prescribed the elimination of partial employment.

Standardization of materials was introduced in the building industry. In June 1941, the Ministry of Works and Buildings, in close collaboration with the British Standards Institution, issued the first series of emergency war standards for government building materials.

New Entrants in the Labor Market

For the most part, new entrants in the labor market under the armament program were women. Unemployment among women declined slightly during 1937, increased markedly during the general depression

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52/ Only employers registered with the corporation were allowed to engage part-time labor, and such labor was allocated by the manager of the corporation.

in 1938, and again declined slowly in 1939 as opportunities for customary employment increased in the textile and clothing industries, in clerical operations connected with armament, and as new fields of employment began to develop.53/ The increase in the number of registered unemployed women, which occurred immediately after the outbreak of war, reflected the movement of women into the labor market primarily to volunteer for civil defense work. (See Chart 13.)

During 1940, dilution agreements permitting women to replace men in many essential and nonessential industries, on the basis of equal pay for equal work,54/ cleared the way for the entrance of women into munitions and into consumer fields depleted by the draft. The Minister of Labour and National Service also appealed to women to help achieve continuous operation in war industries by working for as little as two days a week. Throughout the year, although women slowly entered these fields of employment, the number of unemployed women changed little and even increased slightly during July and October following widespread curtailment of consumer goods industries.

National efforts to force women, previously unattached to the labor market, to engage in essential work were accompanied by a marked decline in female unemployment. The Registration for Employment Order of March 1941, which required all British nationals to register for employment, was directly aimed at women not regularly attached to the labor market. In the handling of early registrations under this order, interviews were restricted to the mobile group which, in addition to unemployed women, women who volunteered for transfer to essential work, comprised unoccupied women, single or married but without young children, engaged only in household duties or in unpaid or part-time employment. At the same time labor supply inspectors redoubled their efforts to arrange for the training and use of women on essential work.

As a result of these activities the number of unemployed women and girls dropped from 295,000 in June 1941, but results obtained in the field of new entrants, owing largely to the extensive use of women on civil defense work, were not extensive during this period. Out of 196,000 women in the 20 to 24 age group who were interviewed under the Registration for Employment Order, only 49,000, or 25 percent were transferred to essential work.

53/ The first dilution agreement which permitted women to be substituted for men in the machine tool field was drawn up in November 1939. Under this agreement women could be employed as truck drivers in the engineering (machinery) industry on the basis of equal pay for equal work.

54/ See footnote 51 page 81.

Chart 13

UNEMPLOYMENT IN GREAT BRITAIN, BY SEX

JANUARY 1935 TO OCTOBER 1941

Child labor also increased under the armament program. Laws regulating the employment of minors were relaxed shortly after the outbreak of war by lowering the school-leaving age from 15 to 14. Some educational authorities also raised the age at which children could be employed from 13 to 14, and then permitted a maximum of 4 or 5 hours of employment on Saturdays or school holidays, in addition to the permitted 2 hours of employment after school, and 4 to 8 hours a day in agriculture during vacations. The interruption of regular school attendance as a result of bombings contributed to increase this trend.

There was little use of foreign labor. Foreigners with permits from the International Labour Branch of the Ministry of Labour could obtain employment, but only a few thousand, largely Poles, Belgians, and French, were placed during 1940.

Other Factors Affecting Recruiting

Wage, hour, and worker safeguard policies were also affected by and in turn affected labor market policy. Thus, to a large extent, such policy was determined by the state of the labor reserves.

Wage and price policy.—Prior to 1936 wage rates in British industries for the most part were determined by collective agreements between workers and employers. In a few industries, notably agriculture, coal mining, and road motor transportation, there was direct or delegated government wage regulation by trade boards or joint statutory bodies. For a small residual group the wage rate was settled by individual bargaining.

During 1939 and 1940 marked increase in wage rates, primarily in armament industries, stimulated labor turnover and increased the dislocation of the labor market. Between October 1938 and 1940 workers' earnings rose on the average by nearly 30 percent and, according to the Economist, the upward trend continued in 1941. In large part, however, this increase paralleled a 30 percent rise between October 1937 and June 1941 in the index of the cost of living as shown in Chart 14. Apparently, during 1940, control of hiring by the employment service in the metal and building trades, entailing the power to refuse employment in the usual occupation in the event that separation from the present job was not considered justified, exerted little if any control over employer recruiting inducements in the form of offers at higher wage rates.[55] In this connection the 100 percent excess profits tax, passed in October 1939, apparently made employers more amenable rather than more opposed to union demands.

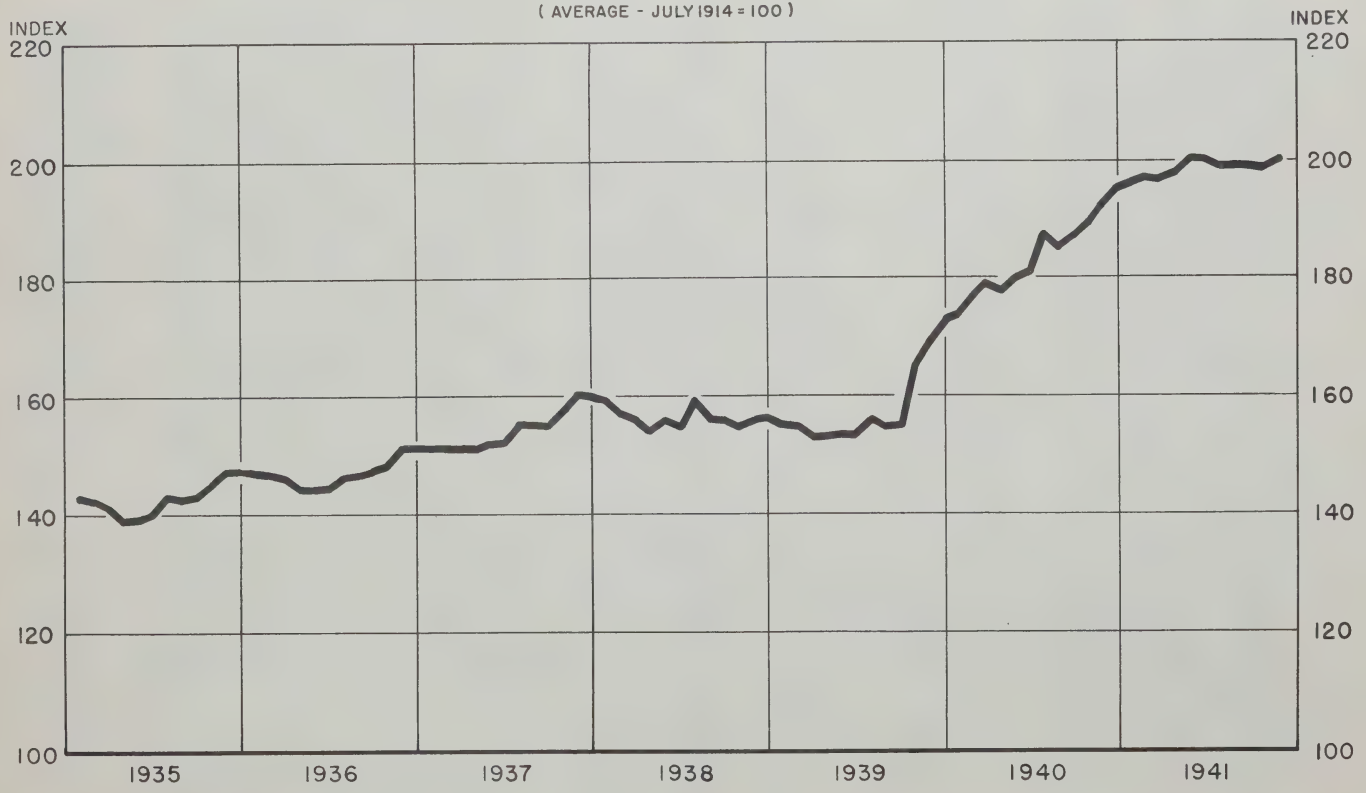
55/ In the spring of 1941 government investigation in the aircraft industry disclosed the fact that firms were deliberately paying their workers more than the agreed district rates and thereby making intra-industry transfer exceedingly difficult.

Chart 14

MONTHLY INDEX OF COST OF LIVING IN GREAT BRITAIN

JANUARY 1935 TO NOVEMBER 1941

(AVERAGE - JULY 1914 = 100)



The government price stabilization policy, announced in April 1941 and put into effect the following August, was an endeavor to prevent further rise in the cost-of-living index apart from minor seasonal changes. A previous law, the Prices of Goods Act of December 1940, had adopted the policy of price control by authorizing the Board of Trade to limit price rises of specific commodities above the pre-war level to the increase in the costs of producing and selling. This power was extended in the Goods and Services Act of 1941 to permit direct fixing of maximum prices of specified commodities at any stage of production or distribution, and to fix maximum charges for the performance of specified services as well as goods.

The government, however, did not intend to use this law to regulate wages. The traditional practice of determining wage rates by free negotiations between employers and trade unions continued. Despite trade union opposition, however, pressure, even from labor representatives, to suspend collective bargaining and stabilize wages gained momentum. Proponents of this policy pointed out that the results of collective bargaining depended upon the relative strength of the bargaining unions, not upon the relative value of the member's work to the war effort. In consequence, there was an urgent need to remove wage discrepancies which seriously impeded the flow of recruits into war work, to step up marginal earnings of the lower grades of men and women war workers, and to scale down abnormally high piece rate earnings. There was also need to stabilize prices, including the price of labor, in order to ward off inflation. Up to the end of 1941, however, wage rates continued to be fixed by collective bargaining.

Hour policy.--During the period when labor shortages were primarily confined to skilled labor groups, unlimited extension of working hours was chiefly relied upon to increase armament production. After the declaration of war, and especially after the evacuation of Dunkirk, working hours for adult men in armament industries averaged 70 to 80 in a 7-day week. The Factory Acts of 1937 were relaxed to permit night work in a 60-hour week for women and 16-year old youths, and a 48-hour week for the 14- to 16-year old group.

This policy resulted in a rise in the cost and a decline in the volume of production, as well as marked increases in absenteeism, tardiness, and sickness. In fact, workers in need of rest preferred to be absent during the week and to collect Sunday overtime. Early in 1940 the weekly working schedule was reduced to 55 or 56 hours by substituting shift for overtime work and by introducing rest periods. Welfare officers were entrusted with the supervision of working conditions in factories and the Factory Acts were reapplied to women and minors.

The labor shortage of 1941 did not change the policy of keeping hours within reasonable limits. The production drive in armaments was accomplished primarily by continuous operation on a shift basis with double shifts on Sunday, and not by the extension of overtime. Excessive hours were still occasionally worked but continued to be generally forbidden. To release manpower for essential work, hours were also extended in many nonessential industries.

Worker safeguard policy.—All three of the principal worker rights in industry--the right of representation on industrial policy-making bodies, the right of control over the job by collective bargaining, and the right of appeal in case of infringements of established prerogatives--received some measure of recognition under the armament program. Provision was also made for additional labor safeguards by enforcing standard working conditions.

Representation on policy-making bodies was accomplished by taking a labor man into the Cabinet and providing for the widespread use of joint advisory committees. A member of the Trade Union Congress was appointed Minister of Labour and National Service and made responsible for labor market policy. Joint Advisory Councils were established on a national and regional level to advise the government on matters in which workers and employers had a common interest. Trade union representatives were also members of advisory committees in various government departments.56/ Later, trade unions jointly with employers represented British industries on a national committee formed to advise the armament production administration on industrial problems.

In the realm of control over the job, progressively increasing labor scarcity was responsible for widespread curtailment of traditional trade union privileges. Employment service control, first of hiring and later of separation in essential industries, replaced initial union control of employment. At first craft unions agreed voluntarily to relinquish their rules to permit job dilution and increased use of lesser skills. Later, pressure for further economy of scarce skills and more effective utilization of the available labor supply resulted in government standardization of job break-down and control of worker upgrading and training in essential industries.

The government continued to use collective bargaining machinery to establish minimum wage rates and standard working conditions in essential industries preliminary to the introduction of employment

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56/ The Ministry of Supply, the Board of Trade, the Ministry of Food, the Ministry of Agriculture, the Ministry of Shipping, and the Ministry of Information.

service control of hiring and separation. Nevertheless, the wisdom of continuing to establish wage rates by free negotiation, at the expense of impeding war efforts through marked wage discrepancies and price inflation, was increasingly questioned even by representatives of organized labor.

The right of workers to appeal infringements of established prerogatives likewise continued to be recognized, but was eventually somewhat shorn of its full measure of effectiveness. Under the Control of Employment Act of September 1939, the Minister of Labour and National Service could not refuse employers permission to engage or reengage an employee, unless suitable alternative employment was available, and the employee had the right to appeal to the Court of Referees under the Unemployment Insurance Act for reinstatement, or for compensation for loss resulting from such refusal. In May 1940, as a national emergency measure, the Minister was given the power of transferring any person to any work that he was capable of doing, and suitable work was no longer defined as work in the usual occupation or under the usual working conditions. At first, the worker's right of appeal in such cases was limited to individual complaints made to the divisional controller of the employment service. Later, local joint appeal boards were authorized to make recommendations concerning worker appeals, but the employment service representative retained the right of final decision.

In relation to government control over conditions of essential employment, it is also noteworthy that the increasing use of police power was tempered by investigation of the contributing causes and by the application of remedies. Disciplinary measures for absenteeism and lateness were first penalized by the infliction of fines,[57] which proved unsatisfactory, and later by suspension of a worker for a maximum period of 3 days. Prior to enforcement of disciplinary measures, however, the national service officer was required to investigate and call the attention of the local welfare officer to substandard conditions. A special government investigation of absenteeism in shell-loading factories revealed a number of contributory causes: difficulties of transportation over long distances, lack of living accommodations near the factory, inadequate canteen arrangements, and fatigue resulting from the 7-day week. Recommendations were made for the improvement of these conditions.

Government action curtailing worker rights was accompanied by guaranteeing minimum essential needs. Workers compelled to transfer to essential work were extended financial aid in regard to normal, as well

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57/ The London Times of January 4, 1941 reported that a machine adjuster during three extensive periods of absence in 1940 caused six machines to stand idle and was ordered to pay £33 ($133) in damages to his employer.

as additional, living expenses. They were assured a minimum wage, free traveling expenses, satisfactory welfare conditions, and adequate lodging, feeding,and traveling arrangements. Payment of their compulsory pension contributions was undertaken, and unnecessary rent increases were forbidden. Welfare officers in each factory heard and adjusted workers' complaints, and recommended improvements of substandard working conditions. In Great Britain emphasis upon satisfactory working and living conditions was considered of prime importance in connection with the maintenance of worker morale.

APPENDIX TABLES

G E R M A N Y

Table 1.--Unemployment in selected industries in Germany from January 1932 to July 1939 1/

Period		Agriculture total	Building			Metal 2/ total	Building materials total 3/	Mining total	Chemicals total
			Total	Skilled	Unskilled				
1932	January 31	313,999	972,590	623,632	348,958	979,935	272,285	208,856	28,390
	February 29	325,409	987,034	632,527	354,507	998,224	270,624	218,021	28,074
	March 31	302,739	948,315	604,725	343,590	999,072	256,770	224,309	27,671
	April 30	229,607	824,986	511,811	313,175	986,996	224,371	219,503	27,444
	May 31	205,276	772,699	470,630	302,069	977,647	204,033	219,371	27,261
	June 30	187,724	744,816	450,875	293,941	962,432	193,494	221,177	27,773
	July 31	172,977	4/732,432	445,432	4/ 287,000	950,629	187,928	221,104	27,854
	August 31	155,042	719,931	438,823	281,108	927,692	181,622	219,735	27,762
	September 30	151,185	709,541	429,710	279,831	908,772	177,285	221,708	27,347
	October 31	160,990	694,262	428,799	265,463	869,775	169,693	206,669	25,899
	November 30	222,582	4/788,330	483,330	4/ 305,000	882,491	184,947	206,392	25,319
	December 31	287,109	4/891,331	561,331	4/ 330,000	916,748	218,053	209,192	26,041
1933	January 31	203,611	4/953,602	608,602	4/ 345,000	883,267	204,859	172,355	17,665
	February 28	284,864	4/968,924	605,924	4/ 343,000	924,039	212,283	172,564	24,017
	March 31	238,329	767,896	493,264	274,632	886,086	177,649	168,193	23,106
	April 30	189,908	680,939	425,151	255,848	858,817	155,737	166,142	23,294
	May 31	162,788	611,800	371,751	240,049	822,094	138,369	162,814	23,102
	June 30	138,878	594,904	361,425	233,479	787,079	128,909	157,707	22,522
	July 31	101,897	544,226	330,057	214,169	720,924	115,898	151,025	21,819
	August 31	82,416	486,279	292,636	193,643	670,833	103,563	144,511	20,980
	September 30	75,407	436,115	254,981	181,134	621,862	93,609	138,455	19,795
	October 31	78,741	430,787	256,338	174,449	589,399	92,553	132,394	18,899
	November 30	94,860	443,453	269,841	173,812	571,349	95,109	125,796	18,616
	December 31	122,591	637,802	404,523	233,279	587,716	131,477	129,072	19,217
1934	January 31	112,819	541,624	336,305	205,319	547,583	121,580	122,723	17,527
	February 28	99,131	393,189	222,478	170,711	496,067	99,606	115,920	8,349
	March 31	66,144	235,113	107,172	127,941	417,287	67,111	106,196	14,298
	April 30	53,572	230,435	111,289	119,146	382,331	54,854	101,527	13,564
	May 31	51,547	246,288	124,595	121,693	361,309	54,023	99,796	12,795
	June 30	53,333	267,561	139,421	128,140	342,598	57,081	100,246	12,460
	July 31	49,645	285,917	157,413	128,504	324,771	58,086	99,448	12,196
	August 31	53,505	292,076	164,450	127,626	313,559	57,988	99,129	11,969
	September 30	47,440	265,647	147,096	118,551	294,711	57,705	98,628	11,508
	October 31	50,022	279,057	160,717	118,340	285,741	61,595	96,924	10,946
	November 30	62,790	327,836	202,187	125,649	282,686	69,550	98,507	10,613
	December 31	79,941	438,147	281,393	156,754	295,003	89,158	96,796	10,987
1935	January 31	96,084	585,843	380,460	205,383	316,070	107,790	99,565	11,354
	February 28	86,288	496,246	319,573	176,673	298,398	94,839	95,706	10,649
	March 5/ 31	64,356	362,389	226,521	135,868	276,802	68,584	97,819	9,763
	April 30	53,419	284,272	164,750	119,522	259,243	55,759	93,131	9,470
	May 31	47,660	219,218	113,800	105,418	231,781	46,029	88,037	8,887
	June 30	37,528	192,030	95,962	96,068	209,649	41,616	84,910	8,498
	July 31	27,837	172,368	84,469	87,899	189,669	37,985	79,344	8,229
	August 31	30,406	162,317	78,375	83,942	178,452	36,007	75,666	7,979
	September 30	30,035	164,789	78,161	86,628	178,605	36,897	75,202	7,927
	October 31	35,418	202,493	108,170	94,323	188,944	43,364	76,308	7,754
	November 30	48,375	265,011	153,208	111,803	194,500	52,457	78,051	7,923
	December 31	73,341	501,326	316,596	184,730	222,317	85,624	87,124	8,798
1936	January 31	71,943	483,344	310,720	172,624	221,827	84,328	85,014	8,573
	February 29	74,620	503,126	321,025	182,101	216,785	79,818	84,414	8,581
	March 31	44,469	269,413	156,698	112,715	181,132	49,393	75,945	7,545
	April 30	34,594	213,767	114,028	99,739	162,740	38,220	75,330	7,130
	May 31	26,257	143,467	63,186	80,281	137,076	29,094	68,587	6,488
	June 30	19,008	110,710	45,513	65,197	112,875	24,090	62,528	5,817
	July 31	13,358	97,139	40,323	56,816	95,944	20,171	57,448	5,451
	August 31	13,890	89,835	38,373	51,462	84,866	17,647	53,875	5,131
	September 30	12,655	78,455	37,280	47,175	78,405	16,517	50,507	4,747
	October 31	14,720	101,223	48,594	52,629	79,538	20,050	49,154	4,590
	November 30	24,182	163,193	93,426	69,767	80,637	28,717	48,225	4,616
	December 31	39,747	297,232	182,201	115,031	90,336	45,382	49,510	4,974
1937	January 31	55,948	487,211	304,857	182,354	102,591	59,626	48,694	5,475
	February 28	47,266	304,877	223,900	140,977	97,155	50,500	42,087	4,910
	March 31	27,700	212,233	126,433	85,798	84,851	29,677	35,081	4,278
	April 30	13,305	102,787	53,432	49,355	70,007	14,837	26,886	3,762
	May 31	8,417	55,857	24,630	31,227	58,320	9,937	20,928	3,219
	June 30	5,956	36,663	15,113	21,540	46,552	6,859	15,696	2,633
	July 31	4,710	27,867	11,635	16,232	39,688	5,343	12,167	2,410
	August 31	4,663	21,850	8,973	12,877	34,618	4,395	9,170	2,147
	September 30	4,298	18,372	7,605	10,767	30,872	3,694	6,766	1,966
	October 31	5,499	27,367	15,389	11,978	35,101	4,884	6,726	1,975
	November 30	9,585	65,211	41,706	23,505	33,705	9,960	7,022	2,028
	December 31	30,408	287,857	186,467	101,390	45,462	28,809	11,268	2,644
1938	January 31	30,412	279,383	178,949	100,434	49,400	33,919	11,018	2,767
	February 28	24,666	247,576	157,220	90,356	44,082	27,829	9,137	2,565
	March 31	8,106	43,761	24,955	18,806	30,078	8,297	4,767	1,848
	April 30	4,913	24,354	12,257	12,097	24,764	5,217	3,579	1,663
	May 31	3,051	12,469	4,958	7,511	18,676	3,388	2,387	1,384
	June 30	2,220	8,429	3,657	4,772	14,953	2,407	1,570	1,132
	July 31	1,495	4,879	2,372	2,507	9,858	1,175	1,021	794
	August 31	1,185	3,749	1,918	1,831	7,670	774	629	624
	September 30	1,079	3,448	1,732	1,712	6,115	636	472	547
	October 31	1,480	4,863	2,988	1,875	7,840	940	730	587
	November 30	2,359	6,910	4,797	2,113	5,197	1,165	446	528
	December 31	12,865	210,529	127,709	82,820	8,100	16,201	2,542	832
1939	January 6/ 31	23,078	167,462	100,480	66,982	26,586	25,814	3,010	1,594
	February 28	16,924	89,649	58,132	31,517	19,370	16,254	1,835	1,321
	March 31	11,757	42,864	28,643	14,241	14,611	9,073	1,367	999
	April 30	5,335	12,032	6,798	5,234	10,088	4,037	883	799
	May 31	2,728	5,360	2,676	2,684	6,664	1,884	403	614
	June 7/ 30	1,416	2,557	1,066	1,491	4,604	1,121	153	447
	July 31	1,081	1,275	562	713	2,966	555	91	326

1/ Includes all persons, insured and uninsured, registered at employment offices as seeking employment on the day count was reported. Count was made daily on a perpetual inventory basis.
2/ Includes metal reduction and products, machinery, electrical equipment, instruments, and optical goods industries.
3/ Includes quarries and brick, cement, glass, and pottery industries.
4/ Estimated.
5/ From March 1935, Saar included.
6/ From January 1939, Austria and Sudeten provinces included.
7/ From June 1939, Memel included.

Source: Reichsarbeitsblatt, April 1933 to August 1939.

Table 2.--Unemployment in Germany, by sex, from January 1932 to July 1939 1/

Month	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
	1932			1933			1934			1935		
January	6,119,520	4,912,753	1,206,767	4,886,098	3,758,584	1,127,514	3,772,792	3,092,196	680,596	2,973,544	2,563,411	410,133
February	6,209,115	4,993,357	1,215,758	6,000,958	4,879,078	1,121,880	3,372,611	2,735,764	636,847	2,764,152	2,369,492	394,660
March 2/	6,125,762	4,922,778	1,202,984	5,597,458	4,507,805	1,089,653	2,798,324	2,223,269	575,055	2,401,889	2,029,682	372,207
April	5,844,375	4,680,639	1,163,736	5,331,252	4,279,534	1,051,718	2,608,621	2,078,041	530,580	2,233,255	1,871,434	361,821
May	5,694,390	4,558,199	1,136,191	5,038,640	4,042,183	996,457	2,528,690	2,035,650	493,040	2,019,293	1,677,605	341,688
June	5,600,029	4,471,471	1,128,558	4,856,942	3,894,255	962,687	2,480,826	2,015,790	465,036	1,876,579	1,551,502	325,077
July	5,525,604	4,423,697	1,101,907	4,463,841	3,561,106	902,735	2,426,014	1,993,241	432,773	1,754,117	1,445,132	308,985
August	5,370,940	4,320,404	1,050,536	4,124,288	3,284,784	839,504	2,397,562	1,979,506	418,056	1,706,230	1,401,983	304,247
September	5,279,666	4,263,664	1,016,002	3,849,222	3,068,854	780,368	2,281,800	1,889,237	392,563	1,713,912	1,412,070	301,842
October	5,109,173	4,122,045	987,128	3,744,860	2,986,385	758,475	2,267,657	1,889,711	377,946	1,828,814	1,515,720	313,094
November	5,355,428	4,323,794	1,031,634	3,714,646	2,962,169	752,477	2,352,662	1,972,911	379,751	1,984,452	1,653,801	330,651
December	5,772,984	4,680,468	1,092,516	4,059,055	3,341,693	717,362	2,604,700	2,210,348	394,352	2,507,955	2,161,402	346,553
	1936			1937			1938			1939		
January 3/	2,520,499	2,152,833	367,666	1,853,460	1,633,762	219,698	1,051,745	904,437	147,308	646,526	468,950	177,576
February	2,514,894	2,158,701	356,193	1,610,947	1,397,048	213,899	946,334	803,851	142,483	455,622	303,578	152,044
March	1,937,120	1,609,114	328,006	1,245,338	1,043,200	202,138	507,649	380,542	127,107	324,551	198,297	126,254
April	1,762,774	1,452,124	310,650	960,764	766,001	194,763	422,530	301,483	121,047	216,546	116,839	99,707
May	1,491,235	1,215,520	275,715	766,321	595,794	170,527	338,355	235,855	102,500	151,555	79,973	71,582
June 4/	1,314,731	1,058,606	256,125	648,421	499,494	148,927	292,240	197,089	95,151	106,921	54,703	52,218
July	1,169,860	943,229	226,631	562,892	435,384	127,508	218,328	144,515	73,813	73,905	39,325	34,580
August	1,098,498	881,582	216,916	509,257	387,375	121,882	178,762	111,442	67,320			
September	1,035,237	827,941	207,296	469,053	351,713	117,340	155,996	94,082	61,914			
October	1,076,469	876,360	200,109	501,847	379,188	122,659	163,941	103,447	60,494			
November	1,197,140	992,249	204,891	572,621	441,578	131,043	152,430	93,404	59,026			
December	1,478,862	1,270,652	208,210	994,784	860,208	134,576	455,656	398,395	57,261			

1/ Includes all persons, insured and uninsured, registered at employment offices as seeking employment on day count was reported. Count was made daily on a perpetual inventory basis. After June 1933, relief workers, members of the Voluntary or Compulsory Labor Service, and Agricultural Aid Assistants counted as employed.

2/ From March 1935, Saar included.

3/ From January 1939, Austria and Sudeten provinces included.

4/ From June 1939, Memel included.

Source: Reichsarbeitsblatt, February 1932 to August 1939.

Table 3.--Iron and steel production in Germany, by months, January 1932-July 1939

(In thousands of tons)

Month	Pig iron	Crude steel	Pig iron	Crude steel	Pig iron	Crude steel	Pig iron	Crude steel
	1932		1933		1934		1935	
January	358	405	403	541	543	818	880	1,137
February	330	448	340	464	550	824	809	1,064
March 1/	314	433	426	588	650	930	1,000	1,298
April	336	520	374	531	697	978	933	1,224
May	381	625	415	643	737	989	1,002	1,315
June	310	506	424	666	718	1,003	979	1,249
July	294	428	440	641	767	1,037	1,093	1,448
August	268	417	473	707	799	1,068	1,145	1,496
September	273	393	437	632	776	976	1,113	1,378
October	332	522	492	715	842	1,136	1,198	1,552
November	371	546	510	725	829	1,086	1,196	1,484
December	364	507	534	731	833	1,040	1,194	1,442
	1936		1937		1938		1939	
January	1,279	1,585	1,292	1,534	1,438	1,812	1,633	2,096
February	1,173	1,490	1,191	1,520	1,349	1,770	1,529	1,956
March	1,251	1,558	1,304	1,582	1,521	1,949	1,730	2,215
April 2/	1,211	1,467	1,306	1,645	1,480	1,818	1,608	1,899
May	1,228	1,568	1,313	1,608	1,595	1,964	1,677	2,070
June	1,241	1,631	1,304	1,658	1,555	1,890	1,651	2,105
July	1,312	1,721	1,345	1,654	1,625	1,981	1,639	2,106
August	1,362	1,725	1,361	1,663	1,585	2,018		
September	1,352	1,723	1,349	1,690	1,541	1,984		
October	1,379	1,705	1,418	1,714	1,611	2,057		
November	1,257	1,507	1,372	1,791	1,601	2,032		
December	1,258	1,472	1,400	1,765	1,596	1,944		

1/ From March 1935, Saar included.
2/ From April 1938, Austria, Sudeten provinces and Memel included.

Source: Wirtschaft und Statistik, 1932-1939.

Table 4.--Estimated employed wage earners and additional workers 1/ in Germany, January 1933-June 1939

(In thousands)

Month	Employment estimates of Business Institute			Employment estimates of Business Institute			Employment estimates of Business Institute			Employment estimates of Business Institute		
	Total	Wage earners	Additional workers 1/	Total	Wage earners	Additional workers 1/	Total	Wage earners	Additional workers 1/	Total	Wage earners	Additional workers 1/
	1933			1934			1935			1936		
January				13,800	12,970	830	14,700	14,120	580	15,700	15,440	260
February				14,250	13,330	920	14,980	14,350	630	15,700	15,450	250
March				14,970	13,920	1,050	15,540	14,870	670	16,450	16,150	300
April				15,620	14,570	1,050	16,220	15,530	690	17,070	16,830	240
May				15,840	14,910	930	16,670	16,040	630	17,550	17,370	180
June	13,500	12,800	2/ 485	15,810	15,010	800	16,770	16,170	600	17,710	17,570	140
July	13,600	12,900	2/ 555	15,820	15,090	730	16,910	16,350	560	17,870	17,750	120
August	14,000	13,200	2/ 612	15,850	15,150	700	16,960	16,400	560	17,930	17,810	120
September	14,100	13,400	2/ 667	15,900	15,260	640	16,890	16,360	530	17,910	17,810	100
October	14,340	13,590	750	15,900	15,300	600	16,550	16,260	290	17,810	17,710	100
November	14,310	13,470	840	15,770	15,140	630	16,540	16,260	280	17,620	17,510	110
December	13,570	12,860	710	15,160	14,540	620	15,610	15,380	230	16,970	16,880	90
	1937			1938			1939					
January	16,620	16,550	70	18,079	18,041	38	19,488	19,474	14			
February	17,030	16,950	80	18,228	18,186	42	19,598	19,579	19			
March	17,520	17,410	110	18,831	18,768	63	19,873	19,856	17			
April	18,470	18,360	110	19,401	19,346	55	20,687	20,671	16			
May	18,800	18,700	100	19,857	19,814	43	21,105	21,091	14			
June	18,960	18,870	90	19,998	19,963	35	21,265	21,253	12			
July	19,110	19,030	80	20,170	20,148	22						
August	19,160	19,100	60	20,245	20,231	14						
September	19,110	19,054	56	20,243	20,232	10						
October	19,141	19,076	65	20,239	20,229	10						
November	18,975	18,912	63	20,236	20,224	11						
December	18,120	18,074	46	19,267	19,262	5						

1/ Includes: (a) unemployed workers in receipt of unemployment benefit, relief grants and public assistance to employed in public relief works; (b) members of Voluntary or Compulsory Labor Service; and (c) Agricultural Aid assistants.
2/ Estimated.

Source: Wochenbericht des Instituts für Konjunkturforschung, 1933-1939; Wiedwald, K., "Eine Yahre Landhilfe," Reichsarbeitsblatt II, 1934, p. 96.

Table 5.--Employment in Germany by sex, January 1932 to July 1939 1/

Month	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
	1932			1933			1934			1935		
January	12,084,599	7,558,811	4,525,788	11,487,211	7,214,724	4,272,487	3/ 13,517,998	3/ 8,965,783	3/ 4,552,215	14,409,075	9,634,109	4,774,966
February	11,927,514	7,440,498	4,487,016	11,532,788	7,252,261	4,280,527	13,967,253	9,388,573	4,578,680	14,687,969	9,895,197	4,792,772
March	11,974,364	7,499,454	4,474,910	12,192,696	7,792,814	4,399,882	14,686,865	10,006,116	4,680,749	15,278,651	10,385,123	4,893,528
April	12,534,931	7,904,031	4,630,900	12,697,620	8,165,789	4,531,831	15,322,237	10,423,971	4,898,266	15,929,961	10,844,398	5,085,563
May	12,743,882	8,057,127	4,686,755	13,179,941	8,515,998	4,663,943	15,560,487	10,549,643	5,010,844	16,385,896	11,196,211	5,189,685
June	12,779,325	8,100,600	4,678,725	2/ 13,306,896	2/ 8,610,369	2/ 4,696,527	15,529,683	10,511,811	5,017,872	16,504,322	11,300,077	5,204,245
July	12,755,994	8,099,924	4,656,070	13,435,581	8,750,805	4,684,776	15,532,793	10,497,108	5,035,685	16,640,207	11,423,601	5,216,606
August	12,754,583	8,116,835	4,637,748	13,715,795	9,002,642	4,713,153	15,558,981	10,520,954	5,038,027	16,689,880	11,475,100	5,214,780
September	12,834,351	8,177,915	4,656,436	13,920,977	9,170,788	4,750,189	15,621,095	10,564,867	5,056,228	16,634,277	11,424,178	5,210,099
October	12,914,536	8,218,024	4,696,512	14,062,337	9,289,858	4,772,479	15,636,436	10,555,752	5,080,684	16,507,509	11,304,923	5,202,586
November	12,698,673	8,101,686	4,596,987	14,020,204	9,317,024	4,703,180	15,476,144	10,467,870	5,008,274	4/ 16,496,708	4/ 11,337,731	4/ 5,158,977
December	11,983,402	7,577,963	4,405,439	13,287,238	8,704,180	4,583,058	14,873,276	10,023,582	4,849,694	15,581,790	10,578,801	5,002,989
Average monthly	12,498,846	7,904,406	4,594,440	13,069,940	8,482,271	4,587,669	15,106,937	10,206,336	4,900,601	15,978,854	10,899,954	5,078,900
	1936			1937			1938			1939		
January	15,672,053	10,703,413	4,968,640	16,599,462	11,271,035	5,328,427	18,079,083	12,415,171	5,663,912	19,488,391	13,321,438	6,166,953
February	15,674,824	10,671,899	5,002,925	17,014,107	11,633,271	5,380,836	18,228,359	12,524,256	5,704,103	19,598,020	13,410,645	6,187,375
March	16,415,690	11,286,737	5,128,953	17,497,362	12,033,973	5,463,389	18,831,301	13,024,074	5,807,227	19,873,112	13,587,047	6,286,065
April	17,038,756	11,731,761	5,306,995	18,447,733	12,716,640	5,731,093	19,400,663	13,402,344	5,998,319	20,686,808	14,085,447	6,601,361
May	17,520,183	12,082,151	5,438,032	18,776,446	12,955,237	5,821,209	19,857,312	13,677,843	6,179,469	21,105,217	14,325,036	6,780,181
June	17,675,483	12,205,519	5,469,964	18,941,252	13,084,919	5,856,333	19,997,924	13,763,514	6,234,410	21,264,663	14,400,111	6,864,552
July	17,838,872	12,334,958	5,503,914	19,094,961	13,192,295	5,902,666	20,169,727	13,864,191	6,305,536	5/ 21,413,598	5/ 14,479,346	5/ 6,934,252
August	17,895,919	12,376,812	5,519,107	19,150,927	13,240,873	5,910,054	20,245,329	13,921,308	6,324,021			
September	17,886,222	12,369,352	5,516,870	19,105,121	13,210,280	5,894,841	20,243,179	13,900,521	6,342,658			
October	17,785,115	12,247,896	5,537,219	19,128,112	13,217,195	5,910,917	20,238,540	13,853,053	6,385,487			
November	17,597,812	12,110,871	5,486,941	18,964,223	13,103,568	5,860,655	20,235,915	13,839,015	6,396,900			
December	16,954,844	11,617,271	5,337,573	18,109,163	12,415,923	5,693,240	19,266,861	13,060,081	6,206,780			
Average monthly	17,162,980	11,811,553	5,351,427	18,402,405	12,672,934	5,729,471	19,566,182	13,437,114	6,129,068	20,489,974	13,944,153	6,545,821

1/ Includes all wage earners (including home workers) and salaried workers earning up to 3600 R.M. per year who were compulsory members of the several health insurance funds, plus voluntary members from higher income salaried groups, for whom contributions based on earnings were payable.
2/ From June 1933, includes additional workers such as relief workers, members of Voluntary or Compulsory Labor Service, and Agricultural Aid assistants.
3/ From January 1934, includes salaried workers earning more than 3600 R.M., but less than 7200 R.M., per year were covered.
4/ From November 1935, Saar included.
5/ From July 1939, Memel included.

Source: Reichsanstalt für Arbeitsvermittlung und Arbeitslosenversicherung; Fünfte-Neunte Bericht, 1932-1933 to 1937-1938; Der Arbeitseinsatz im Deutschen Reich, April 12, 1938 to August 29, 1939.

Table 6.--Monthly index of cost of living in Germany, January 1932 to May 1941

(1913=100)

Year	January	February	March	April	May	June	July	August	September	October	November	December
1932	125.1	122.6	122.2	121.2	120.6	120.5	120.7	119.5	119.0	118.7	118.5	118.2
1933	117.2	116.5	116.1	115.9	117.6	118.0	118.0	117.8	118.5	119.4	120.2	120.6
1934	120.4	120.2	119.9	119.8	119.6	120.5	121.8	122.3	121.6	122.0	122.3	122.2
1935	122.4	122.5	122.2	122.3	122.8	123.0	124.3	124.5	123.4	122.8	122.9	123.4
1936	124.3	124.3	124.2	124.3	124.3	124.5	125.3	125.4	124.4	124.4	124.3	124.3
1937	124.5	124.8	125.0	125.1	125.1	125.3	126.2	126.0	125.1	124.8	124.9	124.8
1938	124.9	125.2	125.5	125.6	125.9	126.0	126.8	126.5	125.2	124.9	125.0	125.3
1939	125.8	125.7	126.0	125.9	126.1	126.5	127.3	127.3	125.7	125.8	126.1	126.4
1940	127.0	127.2	128.6	129.4	130.4	130.8	131.7	133.1	131.6	130.2	130.2	130.8
1941	131.5	131.9	131.9	132.4	133.4							

Source: Statistisches Jahrbuch, 1938; Wirtschaft und Statistik, January 1939 - June 1941.

APPENDIX TABLES

G R E A T B R I T A I N

Table 7.--Unemployment in selected industries in Great Britain from January 1935 to August 1940 1/

Period		Agriculture 3/			Coal Mining			Building			Metal Industry 2/			Chemicals		
		Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
1935 January	28				225,949	225,394	555	356,895	356,509	386	345,772	321,339	24,433	21,546	18,168	3,378
February	25				250,223	249,709	514	325,865	325,462	403	344,566	319,342	25,224	21,327	17,995	3,332
March	25				243,468	242,949	519	277,675	277,294	381	336,366	313,296	25,070	20,389	17,221	3,168
April	15				229,857	229,333	524	260,066	259,716	350	324,944	301,835	23,109	20,080	17,135	2,945
May	20				262,879	262,190	689	248,078	247,756	322	325,095	303,209	21,886	20,710	17,784	2,926
June	24				300,079	299,356	723	242,563	242,273	290	318,052	296,693	21,359	20,706	18,017	2,689
July	22				253,839	253,011	828	254,780	254,531	249	310,604	290,581	20,023	20,788	18,249	2,539
August	26				296,489	295,493	996	252,433	252,142	291	298,845	279,623	19,222	19,609	16,921	2,688
September	23				243,105	242,393	712	263,509	263,187	322	294,650	275,939	18,711	19,760	17,272	2,488
October	21				219,043	218,381	662	268,211	267,887	324	284,874	266,420	18,454	18,997	16,410	2,587
November	25				190,027	189,414	613	287,246	286,889	357	276,754	256,883	19,871	18,670	16,009	2,661
December	16				182,356	181,776	580	298,758	298,431	327	282,561	263,349	19,212	18,252	15,630	2,622
Average					241,443	240,783	660	278,007	277,673	334	310,424	289,043	21,381	20,070	17,231	2,839
1936 January	20				183,148	182,559	589	405,772	405,409	363	284,808	260,419	24,389	19,367	16,157	3,210
February	24				189,121	188,508	613	321,446	321,021	425	279,584	254,496	25,088	19,143	15,926	3,217
March	23				203,858	202,601	657	260,285	259,799	486	261,876	238,438	23,438	17,626	14,625	3,001
April	27				218,477	217,786	691	236,012	235,645	367	248,866	227,135	21,731	18,006	15,085	2,921
May	25	1,158	1,039	119	216,676	215,968	708	213,466	213,130	336	232,931	213,237	19,694	18,120	15,336	2,788
June	22	1,644	1,472	192	274,289	273,375	914	218,491	218,170	321	224,754	205,793	18,961	17,833	15,286	2,547
July	20	2,134	1,857	277	234,187	233,232	955	227,813	227,560	253	222,889	205,130	17,759	16,779	14,464	2,315
August	24	3,043	2,688	417	190,109	189,284	825	224,803	224,805	298	214,054	200,992	17,062	15,803	13,443	2,360
September	21	3,389	2,938	451	192,082	191,380	702	232,395	232,057	338	206,529	190,567	15,962	16,138	13,731	2,407
October	26	4,379	3,577	793	176,795	176,191	604	244,723	244,376	347	194,795	179,908	14,887	15,787	13,505	2,282
November	23	16,896	13,001	3,895	161,652	161,105	547	265,269	264,931	338	185,747	171,316	14,431	15,077	12,888	2,189
December	14	85,155	18,613	6,542	146,789	146,157	572	294,984	294,595	389	179,757	166,099	13,658	14,994	12,880	2,114
Average		7,286	5,640	1,586	198,869	198,179	690	261,586	261,246	342	228,383	209,461	18,922	17,056	14,444	2,612
1937 January	25	31,706	24,023	7,683	138,409	137,839	570	294,038	293,682	356	187,374	170,449	16,925	15,695	12,905	2,790
February	22	30,994	24,005	6,989	136,786	136,183	603	275,522	275,148	374	180,165	163,760	16,405	15,147	12,545	2,602
March	14	31,216	24,349	6,867	130,888	130,299	589	275,138	274,785	353	177,331	161,837	15,494	14,510	12,006	2,504
April	19	21,189	18,871	2,318	124,091	123,502	589	221,796	221,413	383	165,734	151,287	14,447	13,510	11,296	2,214
May	24	18,664	16,558	2,106	156,065	155,526	539	214,150	213,840	310	170,957	156,189	14,768	14,421	12,127	2,294
June	21	11,666	10,428	1,238	169,218	168,564	654	199,316	199,026	290	159,229	145,815	13,414	14,526	12,342	2,184
July	26	15,178	13,671	1,501	146,183	145,595	588	211,666	211,423	243	169,188	155,272	13,916	13,501	11,384	2,117
August	23	18,118	15,994	2,124	128,183	127,594	589	210,520	210,276	244	169,201	154,889	14,312	13,100	11,023	2,077
September 4/	13	17,785	15,797	1,988	117,157	116,396	761	211,691	211,564	267	168,721	154,376	14,345	13,203	11,216	1,987
October	18	5/ 21,266	5/ 18,868	5/ 2,398	113,444	113,017	428	223,218	222,886	332	184,127	168,752	15,375	12,856	10,820	2,036
November	15	30,057	22,714	7,343	101,716	101,285	431	244,212	243,863	349	177,658	159,357	18,301	13,143	10,824	2,319
December	13	48,982	34,640	14,342	100,160	99,778	382	287,958	287,214	744	190,500	168,792	21,708	13,892	11,423	2,469
Average		24,734	19,940	4,794	129,688	129,133	555	242,412	242,095	317	172,849	157,148	15,701	13,959	11,656	2,303
1938 January	17	53,573	38,484	15,089	98,172	97,788	384	305,827	305,426	401	224,432	194,458	29,974	15,322	12,180	3,142
February	14	49,713	35,534	14,179	97,395	97,012	383	280,271	279,877	394	236,328	204,989	33,339	15,230	12,090	3,140
March	14	37,383	29,851	7,472	103,232	101,946	286	242,888	242,473	415	243,334	211,017	32,317	15,192	11,948	3,244
April	4	34,019	28,861	5,158	125,436	125,030	406	228,542	228,139	403	247,497	211,619	35,878	15,263	12,017	3,246
May	16	40,728	32,939	7,789	150,427	149,932	495	221,741	221,346	395	261,056	224,367	36,689	16,680	13,443	3,237
June	13	31,456	27,694	3,762	156,393	155,948	445	225,555	225,195	360	285,790	247,806	37,984	17,316	14,165	3,153
July	18	26,393	23,827	2,566	190,867	190,370	497	246,527	246,098	429	282,648	245,599	37,049	15,697	12,916	2,781
August	15	26,444	23,141	3,303	154,616	154,202	414	236,612	236,286	326	285,256	248,687	36,569	15,274	12,399	2,875
September	12	26,734	23,371	3,363	151,146	150,568	578	251,285	250,946	339	294,062	258,260	35,802	15,738	12,929	2,809
October 6/	17	27,929	24,764	3,165	121,790	121,416	374	273,768	273,275	493	270,724	236,648	34,076	15,341	12,545	2,796
November	14	36,060	27,855	8,205	129,690	129,317	373	290,385	289,920	466	272,032	239,699	32,333	16,044	13,179	2,865
December	12	55,469	38,191	17,278	123,820	123,464	356	306,514	306,085	429	265,038	234,967	30,071	15,691	12,951	2,740
Average											264,200	229,593	34,607			
1939 January	16	70,085	50,565	19,460	110,903	110,514	389	368,931	368,455	476	282,491	247,763	34,728	17,076	13,495	3,581
February	13	61,621	43,663	17,958	115,694	115,312	382	320,697	320,158	539	258,312	225,672	32,640	16,389	13,116	3,273
March	13	47,858	36,124	11,734	107,052	106,700	352	270,628	270,138	490	240,729	210,901	29,828	15,534	12,311	3,223
April	17	38,271	32,040	6,231	106,040	105,688	352	290,400	289,925	475	228,739	198,554	28,185	14,724	11,570	3,154
May	15	36,149	29,963	6,186	106,318	105,904	414	223,934	223,457	477	191,830	166,806	25,024	14,186	11,946	2,240
June	12	29,110	26,858	2,252	112,622	112,184	438	205,416	205,009	407	177,517	155,539	21,978	13,008	10,382	2,626
July	10	22,878	20,316	2,562	103,219	102,850	369	212,451	212,098	353	159,310	139,359	19,951	11,702	9,375	2,327
August	14	23,284	20,196	3,088	98,181	97,806	375	198,334	197,962	372	152,724	133,451	19,273	11,634	9,275	2,359
September	11	19,842	16,352	3,497	76,567	76,246	321	167,208	166,638	570	132,740	108,423	24,317	9,764	6,506	3,258
October 7/	16	23,228	19,744	3,482	64,394	64,094	304	214,161	213,400	763	135,894	110,651	25,243	10,696	7,055	3,601
November	13	28,558	21,788	6,770	62,057	61,755	302	228,259	227,419	840	130,705	106,590	24,115	10,591	7,101	3,490
December	11	42,281	25,650	16,631	71,683	71,390	293	240,151	239,321	830	121,460	99,521	21,939	10,800	7,316	3,484
Average											184,204	158,586	25,618			
1940 January	15	58,295	35,409	22,886	60,516	60,246	270	354,806	354,028	778	129,291	106,350	22,941	11,012	7,228	3,784
February	12	68,531	44,864	23,667	68,383	68,033	270	366,324	365,548	776	135,341	113,231	22,110	11,282	7,553	3,729
March	11	41,193	22,319	18,874	50,570	50,304	266	200,538	199,907	631	107,160	87,357	19,803	9,067	5,775	3,292
April	15	24,476	16,855	7,621	41,276	44,023	253	160,678	160,136	542	93,943	75,430	18,513	7,933	4,835	3,098
May	20	18,194	13,354	4,844	40,059	39,785	274	140,059	139,673	386	83,466	65,666	17,824	7,390	4,904	2,486
June	17	11,160	8,768	2,392	31,879	31,628	251	103,404	102,969	435	65,577	50,914	14,663	6,310	3,627	2,683
July 8/	15	12,485	9,639	2,846	57,820	57,588	232	93,265	92,849	416	66,738	50,005	16,733	6,476	3,517	2,959
August	12	12,950	8,936	4,014	56,359	56,165	194	87,481	87,023	458	69,450	51,518	17,932	6,962	3,651	3,311
Average											93,874	75,184	18,689			

1/ Includes all insured wage earners, and salaried workers earning less than £250 per year except domestic workers, professional workers, civil servants, and employees in railroads and public utilities, aged 16 to 64 years and registered at employment exchanges as unemployed within two months preceding the date of the monthly count.

2/ Includes metal manufacturing, engineering, shipbuilding, vehicle, and other metal industries.

3/ Agricultural workers, except private gardeners and casuals comprising harvest workers, hop pickers, and onion peelers, were included after May 4, 1936.

4/ Monthly count procedure revised by checking employment status of workers reported in live files as unemployed was checked in week following count. This procedure reduced volume of unemployment 3.6 percent.

5/ From October 1937 private gardeners included who became insurable on February 1, 1937.

6/ From October 1938 domestic workers employed in establishments not carried on for purposes of gain and workers employed in driving or attending mechanically propelled vehicles for private individuals included who became insurable after April 4, 1938.

7/ The increase in unemployment after September 1939 was primarily due to registration of new entrants volunteering for war services but is greater than actually occurred because withdrawals to the Armed Forces were not deducted for two months from date of last registration.

8/ From July 1940 trainees excluded.

Source: Ministry of Labour Gazette, February 1935-September 1940.

Table 8.--Distribution of unemployment in the metal industry in Great Britain from January 1935 to August 1940

Period			Metal Manufacturing			Engineering			Shipbuilding and ship repairing			Vehicles			Other metal industries		
			Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
1935	January	28	67,289	65,639	1,650	100,595	97,231	3,364	69,662	69,459	203	30,349	28,936	1,413	77,877	60,074	17,803
	February	25	66,232	64,668	1,564	100,116	96,758	3,358	69,483	69,266	217	30,527	28,982	1,545	78,208	59,668	18,540
	March	25	68,222	66,673	1,549	96,818	93,531	3,287	68,749	68,545	204	27,528	26,138	1,390	77,049	58,409	18,640
	April	15	66,684	65,097	1,587	95,314	92,101	3,213	65,964	65,774	190	25,991	24,841	1,150	70,991	54,022	16,969
	May	20	67,840	66,248	1,592	90,883	87,795	3,088	65,916	65,731	185	30,267	28,953	1,314	70,189	54,482	15,707
	June	24	65,117	63,698	1,419	88,528	85,398	3,130	63,559	63,379	180	33,615	31,867	1,748	67,233	52,351	14,882
	July	22	64,209	62,772	1,437	86,406	83,733	2,673	62,962	62,721	241	31,123	29,401	1,722	65,904	51,954	13,950
	August	26	59,920	58,645	1,275	83,388	80,705	2,683	61,500	61,274	226	29,743	28,061	1,682	64,294	50,938	13,356
	September	23	56,889	55,586	1,303	84,750	81,919	2,831	63,833	63,611	222	28,173	26,572	1,601	61,005	48,251	12,754
	October	21	58,013	56,764	1,249	79,802	77,281	2,521	62,187	61,930	257	25,981	24,495	1,486	58,891	45,950	12,941
	November	25	56,117	54,770	1,347	76,928	74,435	2,493	57,630	57,354	276	27,605	26,020	1,585	58,474	44,304	14,170
	December	16	50,416	49,400	1,016	73,936	71,587	2,349	56,770	56,541	229	24,200	22,948	1,252	57,239	42,873	14,366
1936	January	20	57,350	56,072	1,278	77,578	74,510	3,068	55,694	55,500	194	26,048	24,641	1,407	68,138	49,696	18,442
	February	24	56,231	54,962	1,269	73,698	70,741	2,957	54,047	53,843	204	27,350	25,802	1,548	68,258	49,148	19,110
	March	23	54,031	52,674	1,357	68,980	66,163	2,817	52,755	52,517	238	22,595	21,183	1,412	63,515	45,901	17,614
	April	27	53,036	51,735	1,301	65,908	63,025	2,883	49,742	49,511	231	20,810	19,503	1,307	59,370	43,361	16,009
	May	25	50,312	49,122	1,190	60,508	57,906	2,602	49,460	49,207	253	18,455	17,258	1,197	54,196	39,744	14,452
	June	22	46,939	45,729	1,210	57,537	55,162	2,375	44,901	44,688	213	21,954	20,456	1,498	53,363	39,698	13,665
	July	20	46,685	45,690	995	56,804	54,586	2,218	45,251	44,981	270	23,173	21,390	1,783	50,976	38,483	12,493
	August	24	45,422	44,367	1,055	55,690	53,252	2,438	45,079	44,825	254	23,158	21,285	1,873	48,705	37,263	11,442
	September	21	42,381	41,331	1,050	53,571	51,125	2,446	43,209	42,974	235	21,022	19,577	1,445	46,346	35,560	10,786
	October	26	40,156	39,232	924	50,511	48,253	2,258	41,096	40,855	241	19,747	18,529	1,218	43,285	33,039	10,246
	November	23	38,612	37,712	900	47,265	45,014	2,251	40,158	39,911	247	17,882	16,741	1,141	41,830	31,938	9,892
	December	14	36,068	35,183	885	47,606	45,564	2,042	38,954	38,738	216	16,524	15,565	959	40,605	31,049	9,556
1937	January	25	34,863	33,924	939	47,736	45,343	2,393	38,846	38,677	169	19,746	18,605	1,141	46,183	33,900	12,283
	February	22	33,099	32,224	875	45,574	43,310	2,264	38,572	38,363	209	17,169	16,123	1,046	45,751	33,740	12,011
	March	15	33,766	32,903	863	44,160	41,950	2,210	38,690	38,412	278	17,106	16,103	1,003	43,609	32,469	11,140
	April	19	32,468	31,646	822	41,316	39,107	2,209	36,591	36,384	207	15,356	14,376	980	40,003	29,774	10,229
	May	24	34,965	34,150	815	39,255	37,123	2,132	39,017	38,785	232	16,465	15,340	1,125	41,255	30,791	10,464
	June	21	30,018	29,283	735	37,701	35,773	1,928	36,942	36,726	216	16,972	15,753	1,219	37,596	28,280	9,316
	July	26	33,175	32,431	744	40,106	38,205	1,901	36,379	36,133	246	19,509	18,172	1,337	40,019	30,331	9,688
	August	23	30,599	29,871	728	39,453	37,354	2,099	36,032	35,771	261	22,726	21,351	1,375	40,391	30,542	9,849
	September	13	29,527	28,831	696	38,443	36,499	1,944	36,024	35,765	259	18,675	17,375	1,300	40,052	30,906	9,146
	October	18	29,643	28,913	730	40,230	37,958	2,272	34,327	34,068	259	18,878	17,514	1,364	41,049	30,299	10,750
	November	15	32,946	32,073	873	41,505	38,961	2,544	34,602	34,360	242	22,509	20,799	1,710	46,096	33,164	12,932
	December	13	35,411	34,304	1,107	44,506	41,398	3,108	37,117	36,916	201	20,740	19,167	1,573	52,726	37,007	15,719
1938	January	17	46,826	45,217	1,609	49,884	45,830	4,054	34,445	34,230	215	25,729	23,587	2,142	67,548	45,594	21,954
	February	14	50,571	48,651	1,920	51,535	46,935	4,600	34,129	33,912	217	29,216	26,538	2,678	72,877	48,953	23,924
	March	14	56,029	53,880	2,149	52,842	48,104	4,738	32,122	31,863	259	26,038	23,522	2,516	76,303	50,648	25,655
	April	4	59,016	56,870	2,146	53,967	48,961	5,006	32,711	32,549	252	24,161	21,940	2,221	77,642	51,389	26,253
	May	16	58,293	55,875	2,418	56,161	51,010	5,151	32,091	31,852	239	27,712	24,996	2,716	76,799	50,634	26,165
	June	13	77,457	75,105	2,352	82,322	57,041	5,281	32,972	32,722	250	30,684	27,812	2,872	82,355	55,126	27,229
	July	18	73,882	71,647	2,235	61,141	55,828	5,313	34,554	34,279	275	33,950	30,398	3,552	79,321	53,447	25,874
	August	15	76,323	74,024	2,299	63,829	58,396	5,433	33,630	33,384	246	33,146	30,000	3,146	78,328	52,883	25,445
	September	12	78,872	76,904	1,968	67,580	61,907	5,673	35,091	34,833	258	33,669	30,547	3,122	78,850	54,069	24,781
	October	17	62,903	61,021	1,882	66,941	61,308	5,633	37,977	37,656	321	30,046	27,246	2,800	72,857	49,417	23,440
	November	14	68,800	66,997	1,803	68,086	62,260	5,826	37,584	37,285	299	27,717	25,186	2,531	69,845	47,971	21,874
	December	12	69,805	68,131	1,734	65,717	60,511	5,206	37,615	37,338	277	24,308	22,169	2,139	67,533	46,818	20,715
1939	January	16	67,875	65,874	2,001	71,724	65,790	5,934	38,457	38,177	280	24,957	22,725	2,232	79,478	55,197	24,281
	February	13	55,124	53,099	2,025	66,535	61,154	5,381	38,132	37,839	293	23,847	21,738	2,109	74,674	51,842	22,832
	March	13	46,916	45,384	1,532	62,593	57,374	5,219	39,664	39,340	324	21,879	19,912	1,967	69,677	48,891	20,786
	April	17	44,967	43,587	1,380	59,748	54,991	4,757	36,418	36,152	266	20,115	18,384	1,731	65,491	45,440	20,051
	May	15	32,770	31,578	1,192	50,468	46,162	4,296	33,817	33,521	296	19,250	17,619	1,631	55,735	37,926	17,809
	June	12	29,863	28,836	1,027	45,562	41,876	3,686	32,898	32,616	282	18,881	17,287	1,594	50,313	34,924	15,389
	July	10	26,358	25,535	823	40,474	36,972	3,502	31,138	30,878	260	17,434	15,785	1,649	43,906	30,189	13,717
	August	14	25,890	25,130	760	38,137	34,885	3,252	28,394	28,164	230	18,008	16,177	1,831	42,295	29,095	13,200
	September	11	19,192	18,388	804	31,245	26,906	4,339	16,033	15,677	356	23,900	21,365	2,535	42,370	26,087	16,283
	October	16	20,077	19,181	896	31,371	26,535	4,836	17,346	17,016	330	25,897	22,989	2,908	41,203	24,930	16,273
	November	13	20,679	19,757	922	29,289	24,641	4,648	16,882	16,536	346	24,199	21,446	2,753	39,656	24,210	15,446
	December	11	20,111	19,223	888	27,357	23,212	4,145	15,334	15,072	262	20,825	18,429	2,396	37,833	23,585	14,248
1940	January	15	24,141	23,129	1,012	28,760	24,545	4,215	14,951	14,662	289	19,258	17,020	2,268	42,151	26,994	15,157
	February	12	31,063	30,012	1,051	28,311	24,355	3,956	16,676	16,391	285	17,562	15,486	2,076	41,729	26,987	14,742
	March	11	23,166	22,210	956	23,379	19,817	3,562	12,586	12,310	276	13,665	11,905	1,760	34,364	21,115	13,249
	April	15	20,621	19,759	862	20,593	17,302	3,291	10,886	10,581	305	12,151	10,457	1,694	29,692	17,331	12,361
	May	20	19,293	18,405	888	18,585	15,475	3,110	10,078	9,781	297	9,319	7,913	1,406	26,215	15,092	11,123
	June	17	13,981	13,228	753	15,048	12,331	2,717	8,398	8,093	305	7,117	5,877	1,240	21,033	11,385	9,648
	July	15	15,304	14,376	928	15,119	11,854	3,265	8,428	8,146	282	7,032	5,516	1,516	20,855	10,113	10,742
	August	12	16,934	15,800	1,134	15,968	12,330	3,638	8,254	7,868	386	7,474	5,737	1,737	20,820	9,783	11,037

Note: All footnotes appearing on table 7.-- "Unemployment by selected industries in Great Britain from January 1935 to August 1940," insofar as they are consistent with the industries included in this table, likewise apply to the above figures.

Source: Ministry of Labor Gazette, February 1935-September 1940.

Table 9.--Iron and steel production in Great Britain by quarters, first quarter, 1935--second quarter, 1939 1/

(thousands of tons)

Quarter	1935		1936		1937		1938		1939	
	Crude steel	Pig iron	Crude steel	Pig iron	Crude steel	Pig iron	Crude steel	Pig iron	Crude steel	Pig iron
First	789.7	519.5	943.4	604.6	1,034.8	644.9	1,084.9	723.0	984.6	540.0
Second	810.7	538.2	971.0	645.0	1,078.0	692.1	890.6	612.1	1,150.6	672.2
Third	806.4	540.1	957.9	650.7	1,070.0	723.3	698.9	460.2		
Fourth	874.0	544.4	1,027.0	661.6	1,138.6	771.9	790.2	458.9		

1/ Average monthly figure for each quarter.

Source: Ministry of Labour Gazette, February 1940

Table 10.—Total unemployment in Great Britain, by sex, January 1935-October 1941

Month	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
	1935			1936			1937			1938		
January	2,174,516	1,808,661	365,855	2,159,722	1,773,283	386,439	1,689,223	1,369,631	319,592	1,827,607	1,384,162	443,445
February	2,151,689	1,792,631	359,058	2,025,021	1,654,880	370,141	1,627,845	1,324,194	303,651	1,810,421	1,361,558	448,863
March	2,028,701	1,692,912	335,789	1,881,531	1,538,242	343,289	1,601,201	1,307,779	293,422	1,748,981	1,311,776	437,205
April	1,924,194	1,618,952	305,242	1,831,230	1,498,541	332,689	1,454,443	1,182,326	272,117	1,747,764	1,316,258	431,506
May	1,917,699	1,619,020	298,679	1,705,042	1,401,100	303,942	1,451,330	1,188,287	263,043	1,778,805	1,343,724	435,081
June	1,898,344	1,608,358	289,986	1,702,676	1,409,514	293,162	1,356,598	1,115,226	241,372	1,802,912	1,370,933	431,979
July	1,880,038	1,587,022	293,016	1,652,072	1,361,720	290,352	1,379,459	1,114,866	264,593	1,773,116	1,368,758	404,358
August	1,834,102	1,538,795	295,307	1,613,940	1,313,331	300,609	1,358,621	1,091,767	266,854	1,759,242	1,339,247	419,995
September	1,836,560	1,547,158	289,402	1,624,339	1,321,109	303,230	1,339,204	1,074,602	264,602	1,798,618	1,379,643	418,975
October	1,797,076	1,518,336	278,740	1,611,810	1,317,749	294,061	1,390,249	1,111,123	279,126	1,781,227	1,370,419	410,808
November	1,802,913	1,512,137	290,776	1,623,602	1,326,373	297,229	1,499,203	1,170,694	328,509	1,828,103	1,417,693	410,410
December	1,758,081	1,484,798	273,283	1,628,719	1,346,331	282,388	1,665,407	1,314,579	350,828	1,831,372	1,430,471	400,901
	1939			1940			1941					
January	2,039,026	1,574,178	464,848	1,518,896	1,079,048	439,848	695,606	371,695	323,911			
February	1,896,718	1,457,608	439,110	1,504,100	1,097,641	406,459	580,849	303,548	277,301			
March	1,726,929	1,329,634	397,295	1,121,213	767,977	353,236	457,918	231,336	226,582			
April	1,644,394	1,266,020	378,374	972,695	656,669	316,026	410,511	214,549	195,962			
May	1,492,282	1,145,228	347,054	880,822	587,997	292,825	368,988	181,823	187,165			
June	1,349,579	1,051,054	298,525	766,835	471,537	295,298	301,939	149,411	152,528			
July	1,256,424	981,010	275,414	827,266	470,197	357,069	277,280	145,529	131,751			
August	1,231,692	947,099	284,593	799,452	439,513	359,939	270,289	143,675	126,614			
September	1,330,928	871,354	459,574	829,846	473,579	356,267	230,262	117,483	113,138			
October	1,430,638	947,047	483,591	834,851	456,590	378,261	216,199	113,074	103,125			
November	1,402,588	937,521	465,067	791,180	428,256	362,924						
December	1,361,525	933,402	428,123	705,279	370,296	334,983						

Source: Ministry of Labour Gazette, February 1935-November 1941.

Table 11.--Unemployment in Great Britain, by sex and age, January 1935-October 1941 1/

Month	Men 18 and over	Boys 14-17 2/	Women 18 and over	Girls 14-17 2/	Total 14 and over	Men 18 and over	Boys 14-17 2/	Women 18 and over	Girls 14-17 2/	Total 14 and over
	1935					1936				
January	1,808,661	26,476	365,855	23,056	2,224,048	1,699,943	73,340	318,348	68,091	2,159,722
February	1,792,631	26,861	359,058	21,963	2,200,503	1,589,316	65,564	308,357	61,784	2,025,021
March	1,692,912	23,716	335,789	19,491	2,071,908	1,482,442	55,800	289,986	53,303	1,881,531
April	1,618,952	21,558	305,242	16,624	1,962,376	1,435,045	63,496	274,416	58,273	1,831,230
May	1,619,020	22,574	298,679	15,903	1,956,176	1,348,886	52,214	255,509	48,433	1,705,042
June	1,608,358	22,708	289,986	15,164	1,936,216	1,362,190	47,324	251,616	41,546	3/ 1,702,676
July	1,587,022	23,417	293,016	15,372	1,918,827	1,312,527	49,193	246,145	44,207	1,652,072
August	1,538,795	24,233	295,307	16,161	1,874,496	1,255,006	58,325	246,307	54,302	1,613,940
September	1,547,158	25,525	289,402	16,738	1,878,823	1,266,428	54,681	250,733	52,497	1,624,339
October	1,518,336	24,129	278,740	16,405	1,837,610	1,268,849	48,900	245,972	48,089	1,611,810
November	1,512,137	23,041	290,776	17,038	1,842,992	1,281,354	45,019	252,198	45,031	1,623,602
December	1,484,798	22,063	273,283	15,368	1,795,512	1,305,382	40,949	241,771	40,617	1,628,719
	1937					1938				
January	1,318,595	51,036	263,225	56,367	1,689,223	1,331,306	52,856	379,396	64,049	1,827,607
February	1,278,659	45,535	253,666	49,985	1,627,845	1,312,317	49,241	387,515	61,348	1,810,421
March	1,266,707	41,072	248,733	44,689	1,601,201	1,269,286	42,490	382,389	54,816	1,748,981
April	1,141,011	41,315	227,026	45,091	1,454,443	1,275,081	41,177	379,709	51,797	1,747,764
May	1,151,867	36,420	224,715	38,328	1,451,330	1,295,652	48,072	379,943	55,138	1,778,805
June	1,085,614	29,612	209,441	31,931	1,356,598	1,326,859	44,074	383,105	48,874	6/ 1,802,912
July	1,074,474	40,392	221,400	43,193	1,379,459	1,322,129	46,629	356,982	47,376	1,773,116
August	1,046,723	45,044	221,302	45,552	1,358,621	1,280,618	58,629	363,535	56,460	1,759,242
September	1,034,809	39,793	222,905	41,897	4/ 1,339,204	1,321,251	58,392	362,718	56,257	1,798,618
October	1,074,482	36,641	239,177	39,949	5/ 1,390,249	1,318,423	51,996	358,269	52,539	1,781,227
November	1,133,418	37,276	284,938	43,571	1,499,203	1,366,683	51,010	360,306	50,104	1,828,103
December	1,277,454	37,125	309,858	40,970	1,665,407	1,384,922	45,549	356,580	44,321	1,831,372
	1939					1940				
January	1,509,947	64,231	399,756	65,092	2,039,026	1,037,458	41,590	379,981	59,867	1,518,896
February	1,402,417	55,191	380,664	58,446	1,896,718	1,058,499	39,142	353,222	53,237	1,504,100
March	1,285,366	44,268	349,133	48,162	1,726,929	742,304	25,673	311,703	41,533	1,121,213
April	1,217,085	48,935	327,116	51,258	1,644,394	633,946	22,723	278,014	38,012	972,695
May	1,108,893	36,335	304,813	42,241	1,492,282	570,712	17,285	262,580	30,245	880,822
June	1,022,790	28,264	266,836	31,689	1,349,579	456,408	15,129	266,953	28,345	766,835
July	953,859	27,151	245,930	29,484	1,256,424	8/ 418,966	21,231	318,983	38,086	8/ 827,266
August	908,752	38,347	245,209	39,384	1,231,692	409,651	29,862	308,739	51,200	799,452
September	826,811	44,543	395,243	64,331	1,330,928	445,268	28,311	307,849	48,418	9/ 829,846
October	7/ 903,127	43,920	7/ 417,798	7/ 65,793	7/ 1,430,638	429,141	27,449	330,192	48,069	834,851
November	897,061	40,460	405,175	59,892	1,402,588	402,999	25,257	319,314	43,610	791,180
December	897,984	35,418	377,168	50,955	1,361,525	350,875	19,421	299,194	35,789	705,279
	1941									
January	347,262	24,433	280,227	43,684	695,606					
February	284,386	19,162	240,916	36,385	580,849					
March	217,432	13,904	198,021	28,561	457,918					
April	196,366	18,183	165,711	30,251	410,511					
May	167,022	14,801	158,891	28,274	368,988					
June	137,870	11,541	131,191	21,337	301,939					
July	133,336	12,193	113,376	18,375	277,280					
August	125,826	17,849	104,048	22,566	270,289					
September	104,961	12,522	94,856	18,282	230,621					
October	101,554	11,520	86,553	16,572	216,199					
November										
December										

1/Includes all persons, insured and uninsured, from 14 to 64 years registered at employment offices on day of monthly count as seeking employment, excluding insured persons who failed to register regularly during two months preceding count.

2/Includes considerable numbers of boys and girls registered as unemployed at employment offices and juvenile employment bureaus who remained full time in day school until obtaining employment.

3/From June 1936, includes agricultural workers who became insurable on May 4, 1936.

4/Monthly count procedure revised by checking, in week following count, number of workers reported in live files as unemployed who were actually unemployed on day of count. This procedure reduced volume of unemployment 3.6 percent.

5/From October 1937, private gardeners who became insurable on February 1, 1937 were included.

6/From June 1938, includes certain classes of domestic workers who became insurable on April 4, 1938.

7/The marked increase in unemployment after September 1939, was due to registration of new entrants in the labor market volunteering their services in connection with the war.

8/After July 1940, trainees were excluded.

9/After September 2, 1940 nonmanual workers earning more than £ 250 but less than £ 420 per year were included.

Source: Ministry of Labour Gazette, February 1935-November 1941.

Table 12.--Monthly Index of Cost of Living in Great Britain, January 1935 to November 1941

(July 1914 = 100 percent)

Year	January	February	March	April	May	June	July	August	September	October	November	December
1935	143	142	141	139	139	140	143	143	143	145	147	147
1936	147	147	146	144	144	144	146	146	147	148	151	151
1937	151	151	151	151	152	152	155	155	155	158	160	160
1938	159	157	156	154	156	155	159	156	156	155	156	156
1939	155	155	153	153	153	153	156	155	155	165	169	173
1940	174	177	179	178	180	181	187	185	187	189	192	195
1941	196	197	197	198	200	200	199	199	199	199	200	

Source: Ministry of Labour Gazette, November 1941.

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